BRIEFING NOTE

FROM Treasury and Trade

FOR Treasurer and Minister for Trade

SUBJECT Motor Accident Insurance Commission – Advisory Committee

Contact Officer: Neil Singleton, Insurance Commissioner
(07) 303 56340

Record No: MIC-00453 (2)
Date: 10 July 2012

Requested by: Gerard Benedet

Date Approval Required By: NA

PURPOSE

1. The purpose of this submission is:

   • to seek your approval to re-appoint the Chair of the Motor Accident Insurance Commission (MAIC) Advisory Committee (the Committee), Mr Bernard Rowley for a term of two years (1 July 2012 to 30 June 2014) in accordance with the attached Terms of Reference (Attachment A);

   • to seek your signature on the attached letter (Attachment B) to the Premier, the Honourable Campbell Newman MP, seeking his agreement on Mr Rowley’s re-appointment and agreement that the re-appointment is not required to proceed to Cabinet; and

   • for you to note that MAIC will proceed with your request to appointment new members to the Committee over the coming months.

BACKGROUND

2. In late June 2012, MAIC submitted a briefing note to you recommending the re-appointment of three members of the Committee (Mr Bernard Rowley, Mr Henry Smerdon and Ms Shauna Tomkins) for a period of three years (Attachment C), as their terms on the Committee were soon to end. In responding to the brief you did not approve the re-appointment and instead requested for new members to be nominated for your approval.

3. Prior to 1 July 2012, there were four members of the Committee, those noted above as well as Mr Rowan Ward, with Mr Ward currently appointed until 31 August 2014.

ISSUES

4. As noted previously, the Committee plays a key role in the Compulsory Third Party (CTP) premium setting process. In seeking the re-appointment of Mr Rowley as the Chair of the Committee, MAIC is endeavouring to ensure a level of consistency and continuity in this role and to allow for an orderly transitioning of Mr Rowley’s knowledge to newer members of the Committee.

5. Mr Rowley’s significant experience is especially important to retain as MAIC undertakes in March 2013 its annual review process which includes a substantial review of all premium components requiring expert technical input and consideration from the Committee.
6. Due to the timeframes involved in appropriately vetting possible new members to ensure that the required skill set and knowledge of the Committee is maintained, it is not feasible for MAIC to finalise the appointment of new members prior to the next premium cycle commencing in September 2012. MAIC will progress this matter and will seek your approval for new members in a separate briefing note. It the meantime, the proposed re-appointment of Mr Rowley, coupled with the continued tenure of Mr Ward will ensure that the Committee is able to fulfil its role. Mr Smerdon and Ms Tomkins will be advised of the outcome of this process.

FINANCIAL IMPLICATIONS

7. As noted in Attachment C, remuneration for the Committee members is in line with the ‘Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities’ Policy. In respect to Mr Rowley’s recommended position as Chair, this would represent a rate of $582 for a full day meeting and full day special assignments rate of $485, with the Committee generally meeting on a quarterly basis.

RECOMMENDATION

8. It is recommended that you:

- approve the re-appointment of Mr Bernard Rowley as the Chair of the MAIC Advisory Committee for a term of two years (1 July 2012 to 30 June 2014);
- sign the attached letter (Attachment B) to the Premier, the Honourable Campbell Newman MP, seeking his agreement on Mr Rowley’s re-appointment and that the re-appointment is not required to proceed to Cabinet; and
- note that MAIC will proceed with your request to appoint new members to the Committee over the coming months.
TERMS OF REFERENCE

Motor Accident Insurance Commission Advisory Committee

The legislative provision under which the Advisory Committee is appointed is Section 11 of the Motor Accident Insurance Act 1994 as follows:

11 Advisory committees

(1) The commission may establish 1 or more advisory committees to advise on the exercise of the commission’s statutory functions.

(2) The matters on which an advisory committee may provide advice are to be decided by the commission with the approval of the Minister.

(3) An advisory committee is to consist of persons appointed by the Minister on the commission’s nomination.

(4) The terms on which the members of an advisory committee hold office are to be decided by the Minister.

The Advisory Committee is required to provide advice on matters brought to it by the Motor Accident Insurance Commission, including:

- Strategic advice on frameworks for the competitive CTP premium filing model in Queensland, including aspects of affordability and efficiency;

- Operational and strategic advice on the current quarterly process of fixing premium bands; and

- Review of risk issues for the Queensland CTP Scheme.
The Honourable Campbell Newman MP
Premier
PO Box 15185
CITY EAST QLD 4002

Dear Premier

I am writing to seek your agreement to re-appoint Mr Bernard Rowley as Chair of the Motor Accident Insurance Commission (MAIC) Advisory Committee.

The Advisory Committee is established in accordance with section 11 of the Motor Accident Insurance Act 1994, and may advise MAIC on:

- Strategic advice on frameworks for the competitive Compulsory Third Party (CTP) premium filing model in Queensland, including aspects of affordability and efficiency;
- Operational and strategic advice on the current quarterly process of fixing premium bands; and
- Review of risk issues for the Queensland CTP Scheme

As noted in his attached Curriculum Vitae, Mr Rowley has extensive experience in the insurance industry and is a Fellow of the Institute of Actuaries.

Mr Rowley’s re-appointment is sought for a period of two years, from 1 July 2012 to 30 June 2014, with remuneration set in accordance with the current Category C1 remuneration rates provided by the Public Sector Industrial Relations and Employee Relations Division, Department of Justice and Attorney-General.

Over the course of the next few months I will also be looking to fill two vacant positions on the advisory committee. The reappointment of Mr Rowley will allow for an appropriate transfer of corporate knowledge and expertise to new board members.
The Motor Accident Insurance Act 1994 provides for appointments to be made by the Treasurer and, due to the advisory nature of the Committee, appointments and re-appointments have not previously required the approval of Cabinet. I therefore seek your agreement for the re-appointment of Mr Rowley to not proceed to Cabinet.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

Encl.
BRIEFING NOTE

FROM  Treasury
FOR   Treasurer and Minister for Trade
SUBJECT  Re-appointment of the Motor Accident Insurance Commission Advisory Committee Members

Contact Officer: Nell Singleton, Insurance Commissioner
Record No: MIC-00453
Date: 20 June 2012

Requested by: N/A
Date Approval Required By: 30 June 2012

PURPOSE
1. The purpose of this briefing note is to seek your:
   - approval for the re-appointment of Bernard Rowley (Chair), Henry Smerdon and Shauna Tomkins as members of the Motor Accident Insurance Commission (MAIC) Advisory Committee (the Committee) for a period of three years in accordance with the attached Terms of Reference (Attachment 1); and
   - signature on a letter to the Premier, the Honourable Campbell Newman MP, seeking his agreement for the appointments without going to Cabinet (Attachment 2).

BACKGROUND
2. In accordance with section 11 of the Motor Accident Insurance Act 1994 (the Act), MAIC may establish one or more advisory committees to provide advice on the exercise of MAIC’s statutory functions. The matters on which the Committee may provide advice are decided by MAIC with the approval of the Treasurer and the committees are to consist of persons appointed by the Treasurer on MAIC’s nomination. The terms on which the committees hold office are to be decided by the Treasurer.

3. The Committee was established in 1999 to provide independent advice to MAIC on a range of matters with the primary activity relating to the quarterly process of setting the Compulsory Third Party (CTP) premium bands.

4. There are currently four members of the Committee, with three of the members’ appointments expiring on 30 June 2012. The fourth member of the Committee, Mr Rowan Ward, was appointed on 1 September 2011 for a period of three years to 31 August 2014, replacing former member, Ms Catherine Wood.

ISSUES
5. The appointments of three board members, Bernard Rowley (Chair), Henry Smerdon and Shauna Tomkins are due to expire on 30 June 2012.

6. All members of the Committee possess significant experience within the insurance, public sector and/or financial sectors. To ensure the Advisory Committee maintains a membership with appropriate depth and breadth of experience, MAIC recommends the re-appointment of all three members for a further three year term from 1 July 2012 until 30 June 2015.

7. Mr Bernard Rowley was former Chief Executive Officer of Suncorp from 1986 to 1996 and has held directorships in a number of companies (including Bank of Queensland, Knight Frank and Enertrade). He has significant experience in the insurance industry and is a Fellow of the Institute of Actuaries. His Curriculum Vitae is attached (Attachment 3). Since 2008 he has attended all Committee meetings.
8. Mr Henry Smerdon AM is a former Queensland Under Treasurer and CEO of the Queensland Investment Corporation. He is currently Deputy Chancellor of Griffith University and Chair of its Finance and Resources Committee, as well as Chair of Hyperion Flagship Investments. He brings extensive public policy experience to the Committee as well as corporate financial experience. His Curriculum Vitae is attached (Attachment 4). Since 2008 he has attended 41 of 44 Committee meetings.

9. Ms Shauna Tomkins is a Principal of Promontory Financial Group Australasia, who works internationally in the development and implementation of regulatory frameworks for prudential supervision and corporate regulation of insurance and financial institutions. She brings extensive financial system regulatory experience. Her Curriculum Vitae is attached (Attachment 5). Since 2008, she has attended 21 of 44 Committee meetings; however, when Ms Tomkins has been unable to attend, she has contributed technical expertise, particularly on economic factors, via email.

FINANCIAL IMPLICATIONS

10. Remuneration for the Committee members will continue in line with the ‘Remuneration of Part-time Chairs and Members of Government Boards, Committees and Statutory Authorities’ Policy. The policy outlines a rate of $477 for a full day meeting, $582 for the Chair, and full day special assignments rate of $397 ($485 for the Chair). These rates include loadings to compensate for time spent preparing for meetings. The Committee generally meets on a quarterly basis.

11. Remuneration for the Committee is met from the Motor Accident Insurance Fund. In 2011-12 remuneration for the Committee has totalled $12,660 to date, while in the 2010-11 financial year remuneration totalled $11,916.

12. MAIC considers that the remuneration provided to the Committee is reasonable due to the highly technical nature of the advice provided and the extensive experience of the Committee members.

RECOMMENDATION

13. It is recommended that you:
   - approve the re-appointment of Bernard Rowley (Chair), Henry Smerdon and Shauna Tomkins as members of the MAIC Advisory Committee; and
   - sign the letter to the Premier seeking his agreement for the appointments without going to Cabinet.

Contrary to Public Interest

Helen Gluer
Under Treasurer

Tim Nicholls
Treasurer and Minister for Trade

RTI Document No.10
PURPOSE

1. The purpose of this submission is to seek your:
   - Approval of an advanced draft of the 2011-12 Motor Accident Insurance Commission Annual Report (Attachment 1);
   - Signature on the Publishing Approval Form (Attachment 2).

BACKGROUND


ISSUES

3. The Motor Accident Insurance Commission Annual Report has been identified for tabling by the Treasurer and Minister for Trade by 30 September 2012.

4. The Cabinet Legislation Liaison Office (CLLO) has requested final copies of reports by Friday, 14 September 2012.

5. To meet printing deadlines for the report, feedback and approval is required by Monday, 10 September 2012. This will allow sufficient time for delivery to CLLO to ensure tabling by 30 September 2012.

6. The advanced copy of the annual report may be subject to minor amendments prior to transmittal for tabling.
RECOMMENDATION

7. That you:

- Approve the advanced draft of the 2011-12 Motor Accident Insurance Commission Annual Report.
- Sign the Publishing Approval Form.

[Table with action officer/author details and comments]

Helen Gluer
Under Treasurer

[Approval and comments]

Tim Nicholls
Treasurer and Minister for Trade

[Approval and comments]

Name: | *Action Officer/Author: | Director: | ED/AUT: | OUT: |
---|---|---|---|---|
Vicki Vanderent | Lina Lee | Neil Singleton | Gary Ward |
Branch/Division: | MAIC | MAIC | Insurance Commissioner | Associate Under Treasurer |
Telephone: | (07) 303 56334 | (07) 303 56333 | (07) 303 56340 | (07) 303 51936 |
Date: | 06/09/2012 | 06/09/2012 | 06/09/2012 | / |
Publishing approval form

This form must be completed to the appropriate level of authorisation prior to publication and release of your document including hard copy or on a web site. This form outlines the authorisation requirements for all Treasury portfolio offices, and covers the publication of all documents intended for public release. For more information about this form, please contact the communication unit in your office.

Publication: Motor Accident Insurance Commission Annual Report 2011-12
File/Ref No: OIC2012/84

Contact officer: Lina Lee, Manager Corporate Governance
Contact No: 07 30356333

Originating portfolio office: Motor Accident Insurance Commission
Contact No: 07 30356354

Communication officer: Vicki Vanderent
Contact No: 07 30356354

Designer: Tell Creative
Contact No: 07 33670850

☑ Document/s will be posted on the web
☑ Document/s will be printed in hard copy

Please approve the attached by: COB 9 September 2012

☐ Contact officer

Signature
Date
Lina Lee, Manager Corporate Governance

☐ Executive Director/AUT

Signature
Date
Neil Singleton, Insurance Commissioner

☐ Deputy Under Treasurer

Signature
Date
Gary Ward

☐ Under Treasurer

Signature
Date
Helen Gluer

☐ Treasurer

Signature
Date

The Under Treasurer will determine whether the material requires approval from the Treasurer.

☐ Use of Treasurer’s electronic signature and photograph

Initial
Date
**Publication background and explanatory notes:**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Intended audience:</td>
<td>Government, insurance industry, legal industry, allied health industry, research institutions, motor vehicle dealers and the Queensland public.</td>
</tr>
<tr>
<td>Release date:</td>
<td>Legislation requires the Commission to provide you with the printed report to allow sufficient time for tabling in Parliament no later than 30 September 2012. This is the advanced draft copy only.</td>
</tr>
<tr>
<td>Quantity:</td>
<td>100</td>
</tr>
<tr>
<td>Distribution method:</td>
<td>The publication will be distributed in hard copy to Parliament, the libraries and internal stakeholders and electronically to external stakeholders.</td>
</tr>
<tr>
<td>Notes and special instructions:</td>
<td>N/A</td>
</tr>
</tbody>
</table>
BRIEFING NOTE

FROM Treasury and Trade
FOR Treasurer and Minister for Trade
SUBJECT Motor Accident Insurance Commission Annual Report 2011-12

Contact Officer: Neil Singleton, Insurance Commissioner
(07) 322 78125
Record No: MIC-00477 Date: 14 September 2012
Requested by: N/A Date Approval Required By: 30 September 2012

PURPOSE

1. To provide a copy of the 2011-12 Motor Accident Insurance Commission Annual Report for tabling (Attachment 1).

BACKGROUND


3. To comply with the requirements of the FA Act, and Financial and Performance Management Standard 2009, annual reports must be tabled within three months after the end of the financial year to which the report relates.

4. MAIC previously sought your approval of an advanced draft of this annual report, which you endorsed on 14 September 2012. The final version of the annual report includes only minor grammatical and technical amendments to the approved draft.

ISSUES

5. 40 copies of the final report have been forwarded to the Table Office to be held under embargo until it is requested for tabling.

6. To comply with the requirements of the FA Act the MAIC 2011-12 annual report must be tabled by 30 September 2012.
RECOMMENDATION

7. It is recommended that you:

- table the MAIC 2011-12 Annual Report by 30 September 2012

Helen Gluer
Under Treasurer  Date  /  /

☐ Approved  Treasurer and Minister for Trade  Comments  ☐ Not approved  ☐ Noted

Tim Nicholls
Treasurer and Minister for Trade  /  /
BRIEFING NOTE

FROM Treasury and Trade

FOR Treasurer and Minister for Trade

SUBJECT Proposed Timelines for Implementation of a National Injury Insurance Scheme (NIIS)

Contact Officer: Neil Singleton, Insurance Commissioner
Ph. 303 56340

Record No: MIC-00478
Date: 15 October 2012

PURPOSE

1. The purpose of this submission is to:

   a. Advise you that the Australian Government may seek agreement at the next meeting of the Standing Council for Federal Financial Relations (Standing Council) on a timeline for the implementation of the NIIS, and

   b. In the interim, seek your approval for Queensland officials to take the position that it is premature to be agreeing to a timeline for the implementation of the NIIS. Further, that more realistic timeframes are required for the development of policy advice for consideration by the Standing Council of each possible stage of the NIIS.

BACKGROUND

2. On 4 April 2012, the Standing Council agreed that “Treasuries undertake further detailed work during 2012, for consideration by the Standing Council in late 2012, in relation to the development of a ‘model’ NIIS which could be adopted nationally and in particular to consider the set up costs and additional annual costs of a NIIS. The model would focus on motor vehicle accidents, but include a timeline for possible extension to other forms of catastrophic injury”.

3. In your letter of 30 April 2012 to the Honourable Bill Shorten MP (Attachment 1), you advised that the Queensland Government would continue to participate in discussions on the NIIS, without adopting a specific timeline for its implementation. Further, it was conveyed that an Australian Government funding mechanism would have to be identified before Queensland would consider implementing the NIIS.

4. Queensland, represented by officers from Treasury and Trade and the Motor Accident Insurance Commission, has been participating in interjurisdictional discussions facilitated by the Australian Government on potential principles and minimum benchmarks for a federated NIIS. These discussions have focused on a possible first stage of a NIIS, being for people catastrophically injured in motor vehicle accidents (MVAs). The Australian Government has also recently established an advisory group and is seeking nominations for a senior officials’ sub-group to consider the issues associated with extending the NIIS to the next stage and include catastrophic injuries from medical treatment.

5. The Australian Government has proposed a work plan and timeline for the states and territories which appears to seek for the NIIS to be implemented for MVAs by April 2014 and for medical treatment injuries by July 2014, with remaining injury cohorts to be included by April 2016 (Attachment 2). Jurisdictions have indicated that the proposed timeline is very ambitious. Consequently the Australian Government is seeking proposals for an alternative timeline which can be considered by the Standing Council at their next meeting.
ISSUES

6. The threshold issue of funding for the NIIS remains to be resolved. The Productivity Commission (PC) proposed that the NIIS be mainly funded from existing insurance premium income sources as determined by each jurisdiction. Funding for injuries from MVAs was suggested by the PC to be sourced from compulsory third party (CTP) premiums. The cost of proposed Stage 1 (MVA cohort only) for accidents in Queensland during 2013 has been estimated by Queensland’s independent CTP scheme actuary. Costs vary depending on the assumptions adopted i.e.

<table>
<thead>
<tr>
<th>Pricing basis</th>
<th>Gross</th>
<th>Net</th>
<th>Net average increase per registered vehicle</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Full Funding</td>
<td>$482M</td>
<td>$392M</td>
<td>$108</td>
</tr>
<tr>
<td>(b) Estimated long-term</td>
<td>$369M</td>
<td>$293M</td>
<td>$81</td>
</tr>
<tr>
<td>economic parameters</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note.* The figures above do not include any allowance for a prudential margin.

7. For other injury cohorts, the PC suggested funding sources such as workers’ compensation premiums for work accidents; medical indemnity insurance premiums for injuries from medical treatment; and local council rates for catastrophic injuries from assaults and accidents in the community such as from falls and sporting injuries (“general injury”).

8. While Queensland considers that the PC has underestimated the cost of a NIIS, indications are that the general injury cohort could have a net cost similar to that estimated by Queensland for the MVA cohort. If Queensland was to consider implementing a NIIS, further analysis on the estimated costs and options for funding of non-MVA related injuries is necessary.

9. Australian Government officials have indicated that in the absence of a NIIS, the resulting inclusion of catastrophically injured people in the National Disability Insurance Scheme (NDIS) could increase the cost of the NDIS by up to $1.8 billion per annum at its maturity (2011 dollars). The Commonwealth Treasury has suggested that this amount has not been considered in its funding contribution for the NDIS and would therefore need to be funded by the states and territories.

10. On this basis, and should the Queensland Government decide to implement the NDIS, there may be benefit in having a NIIS in place prior to commencement of the NDIS. Generally, before each stage of the NIIS could commence, it is anticipated that around two years would be required to determine the policy framework, pass legislation and commence collection of premium on a prospective basis.

11. In comparison, the timelines for introduction of each stage of the NIIS proposed by the Australian Government are very ambitious. Aside from the work on MVAs which is well underway, only three to six months is allowed for analysis and agreement on the design of each cohort of the NIIS. This is extremely optimistic considering the potentially complex funding arrangements and range of stakeholders involved. Further, the timeline appears to suggest that once COAG agrees to implement the NIIS for an injury cohort, commencement will occur 12 months later for that cohort. This fails to take into account the time necessary for development of state-specific legislation, consultation and passage through the Parliament; as well as the time needed to collect funds through premiums in advance of a scheme commencing.
12. While more realistic timeframes could be proposed for the work involved in developing policy advice for the Standing Council and COAG’s consideration, it is considered premature for Queensland to be agreeing to a timeline for the implementation of the NIIS. This is because there exists no agreement to implement a NIIS, a ‘model’ for a NIIS has not yet been agreed to (and costings revised if necessary), and funding sources for the various stages of the NIIS have yet to be determined.

RECOMMENDATION

13. It is recommended that you:

- Note that the Australian Government may seek agreement at the next Standing Council meeting on a timeline for the implementation of the NIIS, and
- In the interim, approve for Queensland officials to take the position that it is premature to be agreeing to a timeline for the implementation of the NIIS and more realistic timelines are required for the development of policy advice for consideration by the Standing Council of each possible stage of the NIIS.

---

Helen Gluer  
Under Treasurer  
Date / /  

☐ Approved  
Treasurer and Minister for Trade  
Comments  
☐ Not approved  
☐ Noted  

Tim Nicholls  
Treasurer and Minister for Trade  
/ /  

---

* This officer may be required to provide further detailed information regarding the issue.
TOQ-00023

30 APR 2012

The Honourable Bill Shorten MP
Minister for Employment and Workplace Relations
Minister for Financial Services and Superannuation
PO Box 6022
PARLIAMENT HOUSE
CANBERRA ACT 2600

Dear Minister Bill,

Thank you for your letter of 30 March 2012 regarding my appointment as the Treasurer of Queensland, and the proposed introduction of a National Injury Insurance Scheme (NIIS).

As you would be aware, the Queensland Government's position concerning the NIIS was outlined at the recent meeting of the Standing Council for Federal Financial Relations (SCFFR). While Queensland is supportive of the concept, the very 'long tail' nature of the NIIS means that there is a strong case for the scheme to be funded and underwritten by the Australian Government.

Furthermore, the Queensland Government, mindful of cost of living pressures faced by the community, has committed to not increasing motor vehicle registration fees for family cars over the next three years. This has implications for the proposed first phase of the NIIS to provide coverage for people catastrophically injured in motor vehicle accidents on a no-fault basis. I believe it has been proposed that this phase is to be funded by motor vehicle owners, that is, by a mandatory increase to or a levy on Compulsory Third Party (CTP) insurance premiums. This would result in a significant financial impost on motorists in Queensland. While I recognise that CTP insurance is a separate fee to motor vehicle registration, it is the intention of this Government to keep compulsory costs for motorists as low as possible.

The Queensland Government, consistent with the agreement reached at the recent SCFFR meeting, will continue to participate in discussions on a possible NIIS, without adopting a specific timeframe for implementation. Moreover, in considering such a scheme, it would be on the basis that an Australian Government funding mechanism is identified.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

Company is Public Interest

RTI Document No.29
Attachment D:

**Timeline to consider the inclusion of all accidents (Motor, Medical, Workplace, General and Criminal) in the National Injury Insurance Scheme (NIIS)**

<table>
<thead>
<tr>
<th>Date</th>
<th>Motor Accidents</th>
<th>Medical Accidents</th>
<th>Workplace Accidents</th>
<th>General Accidents</th>
<th>Victims of Crime</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td>National Workers’ Compensation Action Plan 2010-2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>Develop and refine paper on minimum standards for motor vehicles</td>
<td>Consultations and scoping paper discussions</td>
<td>National Workers’ Compensation Action Plan 2010-2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>Agree paper to go to Standing Council and begin costings</td>
<td>Senior officials discussion</td>
<td>National Workers’ Compensation Action Plan 2010-2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>Develop costings and HoTs to consider proposal and seek agreement with States</td>
<td>Develop minimum standards and prepare costings</td>
<td>Looking at issues around the consistency of workers compensation arrangements. Outcomes may be relevant to this work stream</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>COAG agree to proposal and States to implement with commencement 12 months after agreement</td>
<td>HoTs consider proposal and seek agreement with States</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>Legislation in place for future commencement of full NDIS</td>
<td>Develop minimum standards and prepare costings</td>
<td>Consultations</td>
<td>Consultations</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
- HoTs: High-Level Taskforce
- NDIS: National Disability Insurance Scheme
### Timeline to consider the inclusion of all accidents (Motor, Medical, Workplace, General and Criminal) in the National Injury Insurance Scheme (NIIS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Action 1</th>
<th>Action 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>January</td>
<td>HoTs consider proposal and seek agreement with States</td>
<td>HoTs consider proposal and seek agreement with States</td>
</tr>
<tr>
<td></td>
<td>April</td>
<td>COAG agree to proposal and States to implement with commencement 12 months after agreement</td>
<td>COAG agree to proposal and States to implement with commencement 12 months after agreement</td>
</tr>
<tr>
<td></td>
<td>July</td>
<td>Legislation in place for future commencement of full NDIS</td>
<td>Legislation in place for future commencement of full NDIS</td>
</tr>
<tr>
<td></td>
<td>October</td>
<td>Legislation in place for future commencement of full NDIS</td>
<td>Legislation in place for future commencement of full NDIS</td>
</tr>
<tr>
<td>2016</td>
<td>January</td>
<td>Legislation in place for future commencement of full NDIS</td>
<td>Legislation in place for future commencement of full NDIS</td>
</tr>
<tr>
<td></td>
<td>April</td>
<td>Legislation in place for future commencement of full NDIS</td>
<td>Legislation in place for future commencement of full NDIS</td>
</tr>
</tbody>
</table>
BRIEFING NOTE

FROM Treasury and Trade

FOR Treasurer and Minister for Trade

SUBJECT Proposed terms of reference for a comprehensive review of Queensland’s CTP Scheme

Contact Officer: Neil Singleton, Insurance Commissioner 07 3035 6340

Record No: MIC-00494 Date: 10 January 2013

Requested by: Matthew Jeffries Date Approval Required By: N/A

PURPOSE

1. The purpose of this submission is to provide you with proposed terms of reference to guide a comprehensive review of Queensland’s Compulsory Third Party (CTP) scheme.

BACKGROUND

2. The Queensland CTP scheme has been operating within its current framework since the commencement of the Motor Accident Insurance Act 1994 (MAI Act). Features of the 1994 scheme included establishment of the Motor Accident Insurance Commission (MAIC), prudential supervision and licencing requirements of CTP insurers, emphasis on the speedy resolution of claims and the promotion of rehabilitation of claimants as part of the claims management process.

3. A comprehensive review of the CTP scheme was undertaken in 1999 with consequent amendments which included a focus on premium affordability and price based competition with the introduction of the vehicle classification filing model and further reforms to contain claims costs including legal cost thresholds and compulsory conferencing provisions.

4. Delivery costs associated with private sector underwriting were also reviewed in 2010 resulting in a ban on payment of commissions by CTP insurers to intermediaries such as motor vehicle dealers.

ISSUES

5. In light of the Government’s statement of objectives for the community including a focus on lowering the costs of living for families as well as developments such as discussion over a National Injury Insurance Scheme (NIIS) and the recent South Australian CTP scheme review, a comprehensive review of the Queensland CTP scheme may be timely.

6. The following terms of reference are proposed to guide the review process. Terms of reference are in bold with supporting commentary included for discussion or consideration purposes.

7. To consider:

   1. The performance of Queensland’s CTP scheme in terms of meeting its objectives under section 4 of the MAI Act.

Aspects of performance to be considered could include premium setting and affordability for all motorists (Class 1 (cars and station wagons), Class 3 (taxis), etc.), levels of competition in premium pricing by private sector insurers and claims cost outcomes in a third party fault-based common law environment.
2. The performance of Queensland’s CTP scheme compared to other similar schemes in terms of premium affordability, equity of access, benefit structure and regulatory oversight and functions.

The review might consider the various scheme designs across Australian jurisdictions on parameters such as financial performance, fault-based versus no fault entitlements; premium setting and underwriting by private sector insurers or government; health and compensation outcomes for injured people; the cost and effectiveness of scheme management or regulation; and the broader costs or benefits to the community achieved through the design and delivery of the CTP scheme.

3. The capacity to sustainably and affordably develop a lifetime care and support scheme for catastrophically injured people.

Implementation of stage one (motor vehicles only) of the Commonwealth proposed NIIS is anticipated to increase Queensland CTP premiums by $81 to $108 depending on the economic assumptions adopted. A Queensland CTP related NIIS would accrue significant assets and liabilities that will require prudent management for the life of participants in the scheme. Options could be canvassed around how a NIIS might be incorporated into, or operate alongside a residual CTP scheme; benchmarking against other such schemes; how a NIIS style scheme might be implemented over time to maintain premium affordability for motorists.

4. Ways to improve existing scheme efficiency and affordability through scheme delivery and the design of compensation benefits.

The review could consider various premium setting processes (community versus risk rating approach), the costs and benefits of private sector versus government underwriting as well as the level of premium regulation (fixed or more market based).

Compensation benefits for either a fault-based or no-fault based scheme might incorporate medical expenses; proven wage loss – in part or whole; fault based common law entitlements; consideration of thresholds or limits on access to entitlements; entitlement to legal costs. Subject to timing these considerations may also be informed by or aligned to recommendations from the current Parliamentary Committee Review into the Operation of Queensland’s Workers Compensation Scheme.

The review may also want to establish suggested outcome measures to monitor the effectiveness of a contemporary compensation scheme.

5. Recommendations on future scheme objectives to support and deliver a financially sustainable CTP scheme.

Following the review of current performance against existing legislative objectives, comparison with similar interstate schemes and consideration of future scheme requirements, the review may be in a position to recommend future scheme objectives.

6. Appropriate governance arrangements to best ensure effective achievement of scheme purpose and benefits.

The review may want to consider the options around governance arrangements, including the role and functions of MAIC or a Board of Management (which may follow on from any preference for a particular underwriting model); whether to include funding of or a mandate for improving road safety and/or rehabilitation of those injured in motor vehicle accidents to support improvements in scheme performance.
8. Depending on the review process determined by Government, MAIC can develop a discussion paper, if required, to support the terms of reference as part of community consultation.

RECOMMENDATION

9. That you consider whether the proposed terms of reference are an appropriate guide to undertake a comprehensive review of Queensland’s CTP scheme.

Helen Glier
Under Treasurer  Date / /

☐ Approved  ☐ Not approved  ☐ Noted
Treasurer and Minister for Trade  Comments

Tim Nicholls
Treasurer and Minister for Trade  / /

* This officer may be required to provide further detailed information regarding the issue
PURPOSE

1. The purpose of this submission is to seek your approval for:
   
   - the aggregate of CTP levies and administration fee currently at $38.80 to remain unchanged for 2013-14 (Option 1);
   
   - the HES levy split between Health and Department of Community Safety (DCS) to remain unchanged for 2013-14; and
   
   - the levies and administration fee to be fixed, as indicated, by a Regulation Amendment to be made by 1 April 2012 in accordance with the Motor Accident Insurance Act 1994 (MAI Act).

BACKGROUND

2. The MAI Act requires the Motor Accident Insurance Commission (MAIC) to make recommendations to the Treasurer four months before the end of each financial year on the amounts of the levies and administration fee for the next financial year. Following the determination of the Treasurer, the levies and fee are then to be fixed by Regulation Amendment and apply to all CTP premiums from 1 July 2013 to 30 June 2014.

3. There are three levies and an administration fee charged in conjunction with CTP premiums.
   
   - HES levy – to cover a reasonable proportion of the estimated cost of providing public hospital services and emergency services to people injured in motor vehicle accidents using such services who are CTP claimants or potential CTP claimants. The HES levy is currently $16.90 per Class 1 policy.
   
   - ND levy – required to provide sufficient funds to pay the claims arising from motor vehicle accidents occurring in the year relating to uninsured or unidentified motor vehicles. The ND levy is currently $12.35 per Class 1 policy.
   
   - SIS levy – to cover the estimated costs of MAIC in the administration of the scheme. The SIS levy is currently $1.85 per Class 1 policy.
   
   - Administration Fee – to cover the costs of the Department of Transport and Main Roads (DTMR) for work done in the administration of the scheme. The Administration fee is currently $7.70 per Class 1 policy.

4. All levies and the administration fee are calculated on a flat fee basis relative to the applicable vehicle class. The current class 1 (cars and station wagon) levies and administration fee total is $38.80 per policy. For the 1 April 2013 quarter all insurers have filed a Class 1 premium (including levies and administration fee) of $331.80.
5. In the past, the aggregate of the levies and administration fee has generally increased in line with the Queensland Treasury estimated rise in CPI. For vehicle registration purposes, DTMR rounding principles and the need to cater for quarterly instalments, dictate that the total of the levies and administration fee must be divisible by four and be in multiples of 20 cents.

ISSUES

6. For 2013-14 the SIS levy can remain fixed at $1.85 per Class 1 policy. At this level the SIS levy is estimated to cover approximately 80% of MAIC’s 2013-14 budget with the remaining costs covered by investment returns and revenue from compliance fines.

7. DTMR has sought no increase to the Administration Fee which will remain at $7.70 per Class 1 policy. There will be a modest increase in revenue given the projected vehicle growth of 2.92%. DTMR’s submission considers a number of costs associated with administering the CTP scheme including customer service centres, mail processing and system delivery and support. In DTMR’s submission, projected assessment of costs for 2013-14 is $29.49 million and for 2012-13 is $28.84 million.

8. Advice from the Queensland State Actuary’s Office supports a reduction in the ND levy; MAIC recommends a reduction of $0.85 to $11.50 per Class 1 policy due to reduced claims frequency and adjustments to economic assumptions. Taking into account this reduction and vehicle growth projections, the ND levy is estimated to collect $44.14 million in 2013-14.

9. In relation to the HES levy, Health has sought a significant increase in funding for 2013-14 for costs relating to the provision of public hospital services to people injured in motor vehicle accidents who are CTP claimants or potential CTP claimants. Health’s submission (Attachment 1) seeks full funding for these services, which they estimate to cost $98.31 million in the forthcoming year.

10. DCS has also sought an increase in funding to cover the full cost of services it provides (estimated to be $21.87 million in 2013-14). These services include attendance of the Queensland Ambulance Service and Queensland Fire and Rescue Service at motor vehicle accidents, along with the use of Emergency Management Queensland helicopters for the urgent transport of people injured in motor vehicle accidents.

11. In total, these two funding requests for the HES levy total approximately $120.18 million. It should be noted that it is very difficult to estimate the cost of providing health and hospital services to CTP claimants and potential claimants. Health have instead based their submission on all costs of treatment arising from motor vehicle related trauma irrespective of whether it may lead to a CTP claim or not. MAIC considers that Health’s estimate, based on a number of 5,250 motor vehicle related trauma patients in 2013-14, is inflated given that the Queensland CTP scheme steadily averages approximately 6,400 claims per year of which over 70% are minor and unlikely to involve significant hospital and emergency costs. Furthermore, the MAI Act does not envisage full funding of potential health and emergency services liabilities; rather it is designed to cover a reasonable proportion of the estimated cost of providing public services to CTP claimants or potential CTP claimants.

12. In determining the HES levy for 2013-14 it is recommended that the proposed reduction ($0.85) in the ND levy be appropriated to the HES levy.
13. While it has been general practice to increase the aggregate of the levies and administration fee by CPI, retaining the current levies and administration fee for 2013-14 is feasible. This would reduce the potential revenue that Health and DCS would receive under the HES levy. The following table below shows the projected funds raised by each levy under two options.

- Option 1 (recommended) – the aggregate of the levies and the administration fee remain unchanged from 2012-13, with a reduction in ND levy applied to HES levy
- Option 2 – CPI increase to the aggregate of the levies and administration fee with this increase and the reduction in ND levy applied to HES levy

<table>
<thead>
<tr>
<th>Levies &amp; Admin Fee</th>
<th>2012-13 Charges (Class 1)</th>
<th>2012-13 projected revenue</th>
<th>Option 1 - Maintain 2012-13 aggregate</th>
<th>Option 2 - CPI increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2013-14 Class 1</td>
<td>2013-14 projected revenue</td>
</tr>
<tr>
<td>Admin Fee</td>
<td>$7.70</td>
<td>$28.68M</td>
<td>$7.70</td>
<td>$29.71M</td>
</tr>
<tr>
<td>SIS levy</td>
<td>$1.85</td>
<td>$6.89M</td>
<td>$1.85</td>
<td>$7.14M</td>
</tr>
<tr>
<td>ND levy</td>
<td>$12.35</td>
<td>$45.77M</td>
<td>$11.50</td>
<td>$44.14M</td>
</tr>
<tr>
<td>HES levy</td>
<td>$16.90</td>
<td>$62.64M</td>
<td>$17.75</td>
<td>$68.15M</td>
</tr>
<tr>
<td>Levies Aggregate</td>
<td>$38.80</td>
<td>$143.99M</td>
<td>$38.80</td>
<td>$149.14M</td>
</tr>
<tr>
<td>Health projected revenue</td>
<td></td>
<td>$45.39M</td>
<td>$49.38M</td>
<td></td>
</tr>
<tr>
<td>DCS projected revenue</td>
<td></td>
<td>$17.26M</td>
<td>$18.78M</td>
<td></td>
</tr>
</tbody>
</table>

14. Should a CPI increase be preferred, it would result in a $0.80 increase to all Class 1 policies from 1 July 2013, increasing the aggregate of the levies and administration fee from $38.80 to $39.60. This represents a rise of 2.06% for 2013-14, below the CPI rate of 2.50% and satisfies DTMR’s rounding principles. This increase, in addition to the $0.85 reduction in the ND levy would allow a $1.65 increase to the HES levy in 2013-14.

15. Section 28(5) of the MAI Act states that the Treasurer may decide in what proportions the amounts from the HES Levy are to be paid to Health and DCS. The current split between these two agencies is 72.45% to Health and 27.55% to DCS with no submissions requesting changes to this arrangement.

RESULTS OF CONSULTATION

16. Consultation has been undertaken with Health, DCS, Queensland State Actuary and DTMR in regard to the setting of the 2013-14 levies and administration fee.
RECOMMENDATION

17. That you approve:

- the aggregate of CTP levies and administration fee currently at $38.80 to remain unchanged for 2013-14 (Option 1);
- the HES levy split between Health and DCS to remain unchanged for 2013-14; and
- the levies and administration fee to be fixed, as indicated by, by a Regulation Amendment to be made by 1 April 2012 in accordance with the MAI Act.

Helen Gluer
Under Treasurer  Date  /  /

☐ Approved  ☐ Not approved  ☐ Noted
Treasurer and Minister for Trade  Comments

Tim Nicholls
Treasurer and Minister for Trade  /  /

* This officer may be required to provide further detailed information regarding the issue
29 JAN 2013

Ms Kim Birch
General Manager-MAIC Regulation
Motor Accident Insurance Commission
GPO Box 1083
BRISBANE QLD 4001

Dear Ms Birch

Thank you for your letter dated 19 December 2012, regarding the Hospital Services Levy applied to the Compulsory Third Party Insurance (CTPI) premium for 2013-2014.

I appreciate your invitation for Queensland Health to lodge a submission relating to the cost of providing public hospital services to people injured as a result of a Motor Vehicle Accident (MVA).

The 2013-2014 cost estimate of hospital services provided to MVA patients totals $98.31 million. Queensland Health acknowledges that this claim is significantly higher than the grant received in 2012-2013. However, it represents a reasonable reflection of the true cost incurred in providing acute, sub and non-acute and ambulatory care services provided to MVA patients.

Consistent with previous submissions, the estimate is based on published reports, namely the Annual Report on Government Services (RoGS), the MAIC Annual Report and Australian Institute of Health and Welfare hospital statistics as demonstrated in table 1.0 below:

Table 1.0 – Estimation of MVA patient volume 2013-2014

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>DATA</th>
</tr>
</thead>
<tbody>
<tr>
<td>RoGS Report 2012 (2009-10 Data): Hospitalisation per 100,000 registered vehicles in QLD (Attachment 1)</td>
<td>223</td>
</tr>
<tr>
<td>MAIC Annual Report 2011: No. of registered vehicles in QLD on 30/6/2011 (Attachment 2a)</td>
<td>3,570,088</td>
</tr>
<tr>
<td>MAIC Annual Report 2012: No. of registered vehicles in QLD on 30/6/2012 (Attachment 2b)</td>
<td>3,686,539</td>
</tr>
<tr>
<td>Est. No. of registered vehicles in QLD on 30/6/2012 based on past (3.0%) Growth Rate</td>
<td>3,797,216</td>
</tr>
<tr>
<td>Expected MVA Hospitalisation in 2013-14 (223 per 100,000 Registered Vehicles in QLD)</td>
<td>8,468</td>
</tr>
<tr>
<td>QLD Public Hospital acute patient days as % of all QLD hospital acute patient days (Attachment 3)</td>
<td>62%</td>
</tr>
<tr>
<td>Expected number of Public Hospital Motor Accident Related Admissions</td>
<td>5,250</td>
</tr>
</tbody>
</table>
INPATIENTS
In order to estimate total MVA inpatient costs, the following formula has been applied:

- Estimated MAIC episodes deduced from published statistics = 5,250
- Average Weighted Activity Units (WAUs) per MVA separation = 2.44
- 2013-14 Independent Hospital Pricing Authority (IHPA) price = $5,201
- Total estimated 2013-2014 MVA inpatient cost (5,250 x 2.44 x $5,201) = $66,624,810

OUTPATIENTS
Ambulatory (Outpatient and Emergency) WAUs delivered by Hospital and Health Services for 2013 (July - December 2012) equated to 46.3% of acute care WAUs. The ambulatory cost estimate for 2013-14 is $30,847,141 as follows:

- 5,250 (MVA admissions) x 2.44 (Average WAU/MVA Sep) x 46.3% (ambulatory proportion of acute care WAUs) = 5,931
- 5,931 WAUs x $5,201 (2013-14 National Efficient Price per WAU) = $30,847,131.

Another smaller component of the annual MAIC claim is CTP Certification. This is calculated at the previous year’s certification rate for MVA inpatients multiplied by the Queensland health fee for medical reports (2,617 x $320.10 = $837,701).

TOTAL CLAIM FOR 2013-2014
Table 2.0 - 2013/2014 Hospital Services Claim Component Proposed

<table>
<thead>
<tr>
<th>Type</th>
<th>Admitted</th>
<th>Ambulatory (OP &amp; ED)</th>
<th>CTP Certificates</th>
<th>TOTAL 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Services</td>
<td>$66,624,610</td>
<td>$30,847,131</td>
<td>$837,701</td>
<td>$98,309,462</td>
</tr>
</tbody>
</table>

FOR FUTURE CONSIDERATION
I acknowledge that the Motor Accident Insurance Act 1994 (MAIA) only provides reimbursement for “Not at Fault” claims. QUEENSLAND HEALTH is unable to differentiate between “At Fault” and “Not at Fault” cases and therefore submits an overall cost profile of MVA related episodes. Consequently, funding received for MVA patient episodes has been far less than Queensland Health submissions to date as demonstrated in Table 3.0 below:

Table 3.0 - Funding Shortfall since 2008-2009

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>QUEENSLAND HEALTH Claim</th>
<th>MAIC payment</th>
<th>Funding Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/2009</td>
<td>$49,010,085</td>
<td>$30,380,000</td>
<td>$18,630,085</td>
</tr>
<tr>
<td>2009/2010</td>
<td>$66,284,497</td>
<td>$33,320,000</td>
<td>$31,964,497</td>
</tr>
<tr>
<td>2010/2011</td>
<td>$77,519,688</td>
<td>$36,960,000</td>
<td>$40,559,688</td>
</tr>
<tr>
<td>2011/2012</td>
<td>$83,763,260</td>
<td>$42,040,000</td>
<td>$41,723,260</td>
</tr>
<tr>
<td>2012/2013</td>
<td>$105,032,279</td>
<td>$45,390,000</td>
<td>$59,642,279</td>
</tr>
<tr>
<td>TOTAL SHORTFALL</td>
<td></td>
<td></td>
<td>$192,519,809</td>
</tr>
</tbody>
</table>

With consideration to the current funding shortfall for MVA patients, Queensland Health wishes to pursue a legislative amendment that will provide full healthcare cost reimbursement for MVA patients regardless of fault. It is recommended that this is funded through a minor increase to the Hospital Services Levy applied to CTP. Queensland Health will correspond separately in relation to this proposal in the near future.
I look forward to receiving your response to Queensland Health’s hospital services claim for 2013-2014.

Should you require further information, the Department of Health’s contact is Mr Travis Hodgson, Director, Revenue Strategy and Support Unit, Finance Branch, System Support Services Division, on telephone 3235 4185, or via email at Travis_Hodgson@health.qld.gov.au.

Yours sincerely

Dr Tony O’Connell
Director-General
**BRIEFING NOTE**

<table>
<thead>
<tr>
<th>FROM</th>
<th>Treasury and Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOR</td>
<td>Treasurer and Minister for Trade</td>
</tr>
<tr>
<td>SUBJECT</td>
<td>Approval to proceed with technical amendments to the Motor Accident Insurance Act 1994 and the Motor Accident Insurance Regulation 2004</td>
</tr>
</tbody>
</table>

| Contact Officer: | Neil Singleton, Insurance Commissioner (07) 303 56340 | Record No: | TRY-01119 | Date: 10 July 2012 |
| Requested by:   | N/A | Date Approval Required By: | 20/07/2012 |

**PURPOSE**

1. The purpose of this submission is to seek your approval to proceed with a number of technical legislative amendments to the Motor Accident Insurance Act 1994 (MAI Act) and the Motor Accident Insurance Regulation 2004 (MAI Regulation).

**BACKGROUND**

2. One of the functions of the Motor Accident Insurance Commission (MAIC), pursuant to section 10(1)(n) of the MAI Act is to keep the statutory insurance scheme generally under review and make recommendations for its amendment. MAIC has identified areas of the MAI Act and the MAI Regulation which require clarification and amendment.

3. The proposed legislative amendments seek to provide certainty that the Nominal Defendant (ND) and Compulsory Third Party (CTP) insurers are permitted to access certain third party person information. These actions are essential components in ensuring an efficient CTP scheme.

4. Following notification of a potential CTP claim, insurers and ND gather information relating to CTP claimants and motor vehicle accidents from various sources to determine their liability and the quantum value of a CTP claim. The information collected and included in police accident reports for example, includes personal information about the claimant and third parties such as witnesses. Due to a narrow interpretation of the Information Privacy Act 2009 by relevant government agencies, the ND and insurers have been experiencing increasing difficulties in their operations. For example, requested police accident reports, which contain third party personal information like witness details, have these details blanked out.

5. Currently, 70% of claims lodged with the ND are for accidents that allegedly involve an unidentified vehicle. The ND and insurers require prompt access to all relevant information to make timely decisions and to manage claims proactively. If legislative amendments are not made, the ND’s investigation and legal costs will increase as the ND will be forced to rely more heavily on certain providers to assist the ND with identifying and locating witnesses. This will also have an impact on the claimant as it currently takes longer to determine whether or not the ND is involved in a matter and to subsequently approve any rehabilitation needs.

6. CTP insurers are also at times, experiencing difficulties in accessing medical records from hospitals and health units. Queensland Health has advised MAIC that in its view, the disclosure of such information is prohibited under section 62A of the soon to be repealed Health Services Act 1991 (HS Act), and is not authorised under section 62B of the HS Act, as the MAI Act and MAI Regulation as currently in force, do not require or expressly permit the disclosure.
ISSUES

Amendments required to explicitly permit the disclosure of third party personal information

7. While section 92(2) of the MAI Act expressly authorises the disclosure of information between insurers, neither the MAI Act nor the MAI Regulation expressly specify that third party personal information can also be disclosed. Despite this, the existing authority relating to personal information has always been taken to include ‘third party personal information’.

8. To clarify the original intent of the provisions relating to disclosure of information, legislative amendments are required. The amendments proposed by MAIC do not seek to broaden the information that may be disclosed and is already being disclosed between CTP insurers, government agencies and MAIC; rather they seek to clarify that third party personal information is expressly included in this existing authority.

10. In drafting these legislative amendments, MAIC will be guided by the Office of the Queensland Parliamentary Counsel.

11. Officers from MAIC have liaised with CLLC and it is proposed that these amendments, subject to your approval, will be included in a miscellaneous bill at the earliest opportunity that arises. In MAIC’s view, there is no justification for the amendments being included in their own bill.

RESULTS OF CONSULTATION

12. Consultation regarding these amendments has been undertaken with Treasury and Trade Department’s Legal Services Unit, the Office of the Information Commissioner, the Queensland Police Service, Queensland Health and the Department of Community Safety. Previous advice has also been obtained from Crown Law.
RECOMMENDATION

13. It is recommended that you approve technical amendments to the MAI Act and MAI Regulation to be included in any whole of Treasury and Trade miscellaneous bill.

Helen Gluer
Under Treasurer

☐ Approved ☐ Not approved ☐ Noted

Treasurer and Minister for Trade

Comments

Tim Nicholls
Treasurer and Minister for Trade

/ /
BRIEFING NOTE

FROM Treasury and Trade
FOR Treasurer and Minister for Trade
SUBJECT Recent Queensland Supreme Court decision and possible implications for the Compulsory Third Party (CTP) Insurance scheme

Contact Officer: Neil Singleton, Insurance Commissioner, Insurance Commission, 303 56340
Record No: TRY-02204
Date: 19/10/2012
Requested by: N/A
Date Approval Required By: N/A

PURPOSE

1. The purpose of this submission is to:
   • Inform you of the outcome of the recent Queensland Supreme Court decision of Suncorp Metway Insurance Ltd v Wickham Freight Lines Pty Ltd & Ors [2012] QSC 237 (the SC decision); and
   • Seek your approval for the resulting policy inequity to be addressed as part of any future broader reform of the Queensland CTP scheme.

BACKGROUND

2. In 2006 New South Wales amended their CTP legislation to introduce, among other things, the concepts of ‘deemed fault’ and ‘blameless motor accidents’. The deemed fault provision as prescribed in section 7J of the Motor Accidents Compensation Act 1999 (NSW) (MAC Act) provides special benefits (e.g. treatment, rehabilitation and care expenses) to children under 16 years of age who are injured in motor vehicle accidents and living in New South Wales (NSW) regardless of whether an owner or driver is liable for the accident as the motor vehicle accident is ‘deemed’ to be the fault of the owner or driver. The Amendment Act also introduced a no-fault benefit for ‘blameless motor accidents’. Examples of such accidents include those where the driver’s loss of control is caused by a sudden and unforeseen onset of an illness or a sudden and unavoidable obstacle on the roadway.

3. Until recently, the NSW deemed fault provisions had not been tested in terms of whether the Queensland CTP statutory policy of insurance (policy of insurance) in the Schedule to the Motor Accident Insurance Act 1994 (Qld) (MAI Act) would respond in such circumstances. On 30 August 2012 the Supreme Court of Queensland handed down judgment concerning an application made by Suncorp, the relevant CTP insurer (Attachment A) about a child claimant, Weston, who sustained severe injuries when he was struck by a Queensland registered prime mover in NSW on 22 July 2008.

4. Suncorp was seeking a declaration that the Queensland policy of insurance responds to ‘proven fault’ only and not also to ‘deemed fault’. The issue for determination by Justice Applegarth turned on the meaning of ‘wrongful act or omission’ under the MAI Act. If Suncorp’s application was successful, this would have meant that the policy of insurance did not respond to a claim by Weston (the injured child) for damages under the NSW deemed fault provisions against Wickam (truck owner) and Butler (driver). Provisions in the MAC Act impose elements of a no-fault system upon Queensland’s CTP scheme that is founded upon common law principles, which includes the requirement for a claimant to establish fault against an owner/driver.

5. Justice Applegarth interpreted section 5 (Application of the Act) of the MAI Act to include ‘deemed liability’ as expressed under section 7J of the MAC Act. His Honour found that ‘deemed liability’ was a category of legal liability which fell within the ordinary meaning of ‘wrongful act or omission’ under section 5 of the MAI Act and Suncorp’s application failed.
6. In making this determination, Justice Applegarth considered that the purpose of the MAI Act and the provision of CTP insurance cover to Queensland motorists who travel interstate is best advanced by an interpretation which recognises that the expression ‘wrongful act or omission’ is not confined to common law causes of action, and extends to acts and omissions which are ‘deemed’ by the law to be the fault of the owner or driver of the insured vehicle which gives rise to a legal liability to pay damages.

ISSUES

7. In interpreting section 5 of the MAI Act in this way, it is clear that a NSW resident child injured in a no-fault accident in NSW, by a Queensland registered vehicle, will be entitled to recover damages pursuant to the special entitlement provisions in the MAC Act from the Queensland policy of insurance.

8. The Court’s interpretation will arguably place burden on the Queensland scheme with extended liabilities under the NSW scheme, where the extent of this exposure is unknown and not accounted for in CTP premium. Suncorp has, in their most recent premium submissions to MAIC, suggested that all liabilities arising under these provisions for Queensland CTP insurers are unfunded, as no insurer has priced for the outcome as delivered by the Court. It is also noted that this judgment is from a single judge of the Supreme Court and has not been subject to appeal.

9. This matter is the first and currently the only such circumstance that MAIC has been advised of. Whether more cases exist but have not yet been pursued is unknown. While not formally costed, the premium effect of this decision based on current knowledge is likely to be immaterial and less than perhaps 50 cents on a per policy basis.

10. Apart from the premium impact, the SC decision provides protection for owners/drivers of Queensland registered vehicles travelling into NSW and so no action to remedy such an anomaly, for example legislative amendment, is presently required.

11. The NSW coverage of deemed fault occurred as part of a broader reform program that has seen increasing levels of coverage brought into the NSW CTP scheme for driver at fault injuries and for catastrophic injuries. The addition of deemed fault provisions in the NSW legislation did not occur in isolation.

12. The Queensland SC decision highlights an inequity, in that the Queensland CTP policy of insurance indemnifies a Queensland registered motor vehicle owner or driver against deemed fault involving a NSW resident child injured in NSW. However, the policy does not provide coverage if a Queensland resident child is injured in Queensland in the same circumstances.

13. If Queensland were to legislate to specifically exclude such deemed fault scenarios in NSW from coverage under the MAI Act, it would potentially leave Queensland motorists personally financially liable in the event of such a claim arising in the future. This is not a recommended course of action.

14. If Queensland were to legislate to include deemed fault provisions for Queensland resident children injured in Queensland, a significant amount of reform effort would be required relative to what is likely to be a very small number of such claims.
RECOMMENDATIONS

That you:

- Note the outcome of the recent SC decision and the resultant policy inequity; and
- Approve that this inequity be addressed as part of any future broader reform of the Queensland CTP scheme.

Helen Gluer
Under Treasurer

☐ Approved ☐ Not approved ☐ Noted

Treasurer and Minister for Trade

Comments

Tim Nicholls
Treasurer and Minister for Trade

☐ Approved ☐ Not approved ☐ Noted

Treasurer and Minister for Trade

Comments

*This officer may be required to provide further detailed information regarding the issue

Name: Cathy Piacki, Manager, Policy and Research
Director: Kim Birch, General Manager, MAI Regulation
ED/AUT: Neil Singleton, Insurance Commissioner
OUT: Gary Ward, Deputy Under Treasurer
Branch/Division: Insurance Commission
Telephone: 303 56346
Date: 19/10/2012

* This officer may be required to provide further detailed information regarding the issue.
BRIEFING NOTE

FROM
Treasury and Trade

FOR
Treasurer and Minister for Trade

SUBJECT
Class 3 Taxi CTP Insurance Premiums

Contact Officer: Neil Singleton, 303 56340  
Record No: TOQ-02311;  Date: 11 January 2013
Requested by: N/A  
Date Approval Required By:  N/A

PURPOSE

1. The purpose of this brief is to:
   • provide taxi Compulsory Third Party (CTP) premium background information; and
   • seek your signature on a response to Complete Taxi Management (Attachment 1).

BACKGROUND

2. You recently requested additional information on taxi (Vehicle Class 3) premium relativities and claims history in relation to a response to Complete Taxi Management.

3. Registered vehicles are grouped by the Department of Transport and Main Roads under 24 vehicle classes with taxis (cars and station wagons) in Class 3 and maxi taxis classed as a bus (Classes 10A or 11) because of their seating capacity. The CTP premium Vehicle Class Filing Model is based on a community rating system whereby the same premium range is paid by all owners of vehicles in a particular class based on the collective claims experience of that class. The legislation does not allow for cross-subsidisation across vehicle classes.

4. The risk premium (or insurer’s premium) for each class is calculated and expressed as a function of the Class 1 premium (Class 3 adopted relativity is currently 22 times that of Class 1). The relativity for each vehicle class is determined by the Motor Accident Insurance Commission (MAIC) following advice from the independent actuary who calculates the frequency and size of CTP claims resulting from vehicles in each class. The relativities for each vehicle class are reassessed annually each March for the next financial year.

ISSUES

5. During the 1999 scheme review it was recommended that taxi premiums be closely monitored and incremented gradually to a level consistent with their assessed experience (see Attachment 2). It was also suggested that the taxi industry be encouraged to implement strategies to improve their claims experience. MAIC communicates regularly with Taxi Council Queensland (TCQ), provides claims experience data quarterly and responds to any request for information to assist the Council in its road safety efforts and understanding of scheme experience.

6. While TCQ have undertaken a range of initiatives over time, the experience of taxis within the CTP scheme has not improved relative to the experience of the scheme as a whole. Over the period 2005 to 2012 taxis average 42.9 claims per thousand vehicles while Class 1 vehicles average 1.75 claims per thousand vehicles.

7. MAIC is required to determine premium bands for each vehicle Class based on the actuarially assessed claims experience of the Class. Taxis are currently the only vehicle class where premiums do not fully cover the expected claims experience and premiums are therefore currently subsidised by private insurers who do not receive adequate premium for these risks.
8. In relation to the Class 3 recent claims experience, in the September 2012 quarter 35 claims were added and 33 finalised in this quarter. The number added is approximately five times higher than the previous two year average and the number finalised under two times the previous two year average. The average cost of claims finalised in the September quarter was $118,625, the highest quarter for two years and up from the previous two year average of approximately $81,000. The highest taxi claim finalised this quarter was $1.5 million from a 2009 accident, involving a pedestrian hit by a taxi resulting in critical injuries. The next highest claim finalised was $365,000. Last quarter, the highest claim finalised was $741,000. As at 30 September 2012, the number of open claims remains constant at 185.

9. The current Queensland Class 3 CTP premium is $6,828.60 (ITCE rate). In comparable CTP schemes with private underwriters, taxi premiums are currently $9,328 (ACT) and within a range of $2,287 and $6,914 (NSW). In NSW, premiums vary between this range because their CTP scheme allows insurers to utilise risk rating criteria to determine premiums such as metro versus regional operation. In government underwritten schemes where premiums are able to be cross-subsidised between vehicle classes, taxi premiums vary between $1,062 (Tasmania) and $6,088 (SA). As such taxi premiums in Queensland are comparable to the schemes involving private underwriters and where no cross-subsidisation of premiums occurs.

10. All jurisdictions have a separate vehicle class for taxis. Prior to 1994 taxis (Class 3) were grouped with Hire Vehicles (Class 4). Preliminary actuarial advice indicates that moving Class 3 into Class 4 would result in a $285 increase in Class 4 premiums (currently $687.60). Moving Class 3 vehicles into Class 1 would increase Class 1 premiums by approximately $3, also increasing other vehicle classes in line with their risk relativity.

RECOMMENDATION

11. That you sign the letter to Complete Taxi Management (Attachment 1).
Dear [Name],

Thank you for your letter of 24 October 2012 regarding Compulsory Third Party (CTP) insurance premiums for taxis.

I acknowledge your concerns and the role the taxi industry plays in Queensland’s transport system. The Newman Government, through its strong economic management, is focused on ways to reduce the cost of living pressures on Queensland families.

As you have indicated, for the purpose of determining CTP premiums, motor vehicles registered in Queensland are grouped into 24 vehicle classes based on their type and purpose of use. This approach is regulated under the Motor Accident Insurance Regulation 2004 and is based on a community rating system where the premium range is paid by all owners of vehicles in a vehicle class based on the collective experience of the class. CTP premiums for each vehicle class are determined quarterly by the six licensed CTP insurers, within upper and lower limits fixed by the Motor Accident Insurance Commission (MAIC) in its capacity as the scheme regulator.

MAIC holds over 15 years of Queensland’s registered vehicle claims data. In determining premium ranges, MAIC is required to obtain independent actuarial advice examining data factors such as the frequency and cost of claims made against the scheme. Annually the actuary also assesses the claims experience (a combination of the claim costs and the number of claims) of each class relative to Class 1 (cars and station wagons).

The annual assessment of the 2012-13 year for Class 3 (taxis) is 24 times that of Class 1, however MAIC adopted a relativity for Class 3 of 22 times that of Class 1. The high relativity for Class 3 is largely due to the higher frequency of claims from this class (average of 42.9 claims made per 1000 vehicles each year from calendar years 2005 to 2012) compared to Class 1 (1.75 claims per 1000 vehicles per annum).
Consideration of prior years’ claims experience is required due to the long-tail nature of personal injury claims like CTP claims because it may take many years from the accident year for the claim to be notified and settled, particularly for claims involving serious injuries.

As the CTP scheme is underwritten by private insurers, each vehicle class must be fully funded to cover future claims liabilities from that class. In this regard, and consistent with the recommendations arising from the independent review of the CTP scheme in 1999, MAIC has gradually increased the Class 3 relativity towards its actuarially assessed level. This process has been undertaken over more than a decade to minimise the impact on the taxi industry that would otherwise have occurred if relativity moved sharply.

I note your concern that CTP insurance premiums are a significant proportion of your business overheads and that you have suggested that Class 3 be subsumed in either Class 1 or Class 4 (hire vehicles) to address this issue. While this would result in lower premiums and operating costs for taxi owners, it would mean other motorists in the applicable class would pay a higher premium to ensure these classes remain fully-funded.

Regarding the range of CTP premium prices for taxis across Australia, it is important to note the differences in insurance models used in each State and Territory including the underwriting model and benefits structure available to claimants. Compared to other jurisdictions also involving private underwriters, Queensland premiums for taxis are comparable, ranging from $9,387.60 (ITCE rate) in the ACT to between $2,287 and $6,914 (ITCE rates) in NSW.

In relation to your comments that the CTP scheme’s legislation precludes legal representation on claims for less than $58,000, I can assure you all claimants are free to choose to be legally represented at any stage in their claim. I understand that the figure you are referring to relates to the legal costs thresholds prescribed under the Motor Accident Insurance Act 1994 (MAI Act). While the thresholds limit the payment of legal costs by insurers on claims involving relatively small awards of damages, they do not affect a claimant’s right to be legally represented.

The legal costs thresholds are defined in the MAI Act as the ‘lower offer limit’ and the ‘upper offer limit’ and are subject to annual indexation. These thresholds were supported and recommended for national adoption in the report Review of the Law of Negligence—a review into personal injury law commissioned by Commonwealth, State and Territory governments in 2002, and most other jurisdictions now have legal costs restrictions in place.

While you are concerned that every claim involving lawyers is lodged for at least $58,000, I am advised that claims data from MAIC shows that for relatively mature accident years (2005 to 2008 inclusive), about 44 per cent of claims where the claimants were legally represented were settled for less than the upper offer limit. Regarding your concern about average settlement size for self-represented claimants compared to legally represented claimants, I advise that caution is required in making direct comparisons of these groups as they may have quite different injury characteristics.
I acknowledge your suggestion to review the legal costs thresholds. Due to the complexities involved, any review of the legal costs thresholds would need to be undertaken as part of a broader review of the CTP scheme.

Finally, I note the June 2012 quarter data you have cited, and while the data can vary significantly from quarter to quarter, some of the observations you have made concerning taxis can equally apply to the scheme as a whole. For instance, because there is no injury severity threshold to access the scheme, the majority of claims are for the most frequent injuries which are relatively minor in terms of threat to life. Further, the high proportion of at-fault drivers who are in younger age groups is not limited to taxis. Nevertheless, I encourage further efforts by the taxi industry to improve road safety, as a reduction in CTP claims frequency would flow through to the cost of premiums.

I thank you for taking the time to write to me with your considered suggestions for reform of the CTP scheme and trust this information is of assistance to you.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
Premium Relativity
Class 3 (taxi cars and station wagons) relative to Class 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Actuarial Estimate</th>
<th>MAIC Adopted from 1 July</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>times</td>
<td>times</td>
</tr>
<tr>
<td>2013</td>
<td>TBD Mar 2013</td>
<td>TBD Mar 2013</td>
</tr>
<tr>
<td>2012</td>
<td>24.07</td>
<td>22.00</td>
</tr>
<tr>
<td>2011</td>
<td>24.17</td>
<td>21.00</td>
</tr>
<tr>
<td>2010</td>
<td>21.64</td>
<td>19.90</td>
</tr>
<tr>
<td>2009</td>
<td>21.12</td>
<td>19.00</td>
</tr>
<tr>
<td>2008</td>
<td>20.18</td>
<td>18.00</td>
</tr>
<tr>
<td>2007</td>
<td>19.50</td>
<td>17.00</td>
</tr>
<tr>
<td>2006</td>
<td>19.54</td>
<td>16.00</td>
</tr>
<tr>
<td>2005</td>
<td>18.51</td>
<td>14.00</td>
</tr>
<tr>
<td>2004</td>
<td>20.11</td>
<td>13.00</td>
</tr>
<tr>
<td>2003</td>
<td>17.01</td>
<td>11.50</td>
</tr>
<tr>
<td>2002</td>
<td>18.00</td>
<td>9.90</td>
</tr>
<tr>
<td>2001</td>
<td>16.00</td>
<td>9.50</td>
</tr>
</tbody>
</table>
BRIEFING NOTE

FROM Treasury and Trade

FOR Treasurer and Minister for Trade

SUBJECT Complaint from Neil Singleton, Insurance Commissioner, regarding aspects of CTP claim

Contact Officer: Neil Singleton, Insurance Commissioner, Ph 3035 6340
Record No: TOQ-02843 Date: 15 March 2013
Requested by: N/A Date Approval Required By: N/A

PURPOSE

1. The purpose of this brief is to:
   - Provide you with information relevant to correspondence received from the Nominal Defendant.
   - Seek your signature on the attached letter responding to complaint.

BACKGROUND

2. The Nominal Defendant (ND) is a statutory body established under the Motor Accident Insurance Act 1994 (MAI Act) which acts as an insurer in the case of CTP claims involving unidentified or uninsured motor vehicles. The ND also becomes the insurer if a licensed CTP insurer becomes insolvent. Under the MAI Act, the insurance Commissioner is the Nominal Defendant.

3. has a CTP claim against the ND for personal injuries he allegedly sustained in a motor vehicle accident in July 2008 involving an unidentified motor vehicle.

RTI RELEASE
Page 55 redacted for the following reason:
Contrary to Public Interest
RECOMMENDATION

16. That you sign the attached letter responding to complaint.

Helen Gluer
Under Treasurer  Date / / 

☑ Approved ☐ Not approved ☐ Noted
Treasurer and Minister for Trade Comments

Tim Nicholls
Treasurer and Minister for Trade / / 

* This officer may be required to provide further detailed information regarding the issue
BRIEFING NOTE

FROM: Treasury and Trade
FOR: Treasurer and Minister for Trade
SUBJECT: Australian Statistics Advisory Council Membership

Contact Officer: Antony Skinner, Government Statistician, 3035 6400
Record No: TRY-02964
Date: 25 January 2013
Requested by: N/A
Date Approval Required By: 25/02/2013

PURPOSE

1. To seek your:
   - support for the appointment of Mr Antony Skinner as the Queensland Government representative on the Australian Statistics Advisory Council; and
   - approval of the attached proposed correspondence in relation to this matter.

BACKGROUND

2. The Queensland Government, through the Government Statistician, is represented on a national advisory body on official statistical activities - the Australian Statistics Advisory Council (the council).

3. The council was established by the Australian Bureau of Statistics Act 1975 to be the key advisory body to the Commonwealth Minister and the Australian Bureau of Statistics (ABS) on statistical services. It provides input to the directions and priorities of the ABS work program and reports annually to the Parliament of Australia.

4. The role of the council is to advise the Commonwealth Minister and the Australian Statistician on:
   - the improvement, extension and coordination of statistical services provided for public purposes in Australia;
   - annual and longer term priorities of work that should be adopted in relation to major aspects of the provision of those statistical services; and
   - any other matters relating generally to those statistical services.

5. The Australian Bureau of Statistics Act 1975 provides that the Council shall consist of a part-time Chair, the Australian Statistician (ex officio), and between ten and twenty-two part-time members, including one nominee from each State Premier or Chief Minister Department. The Chair and members are appointed by the responsible Minister for periods of five years and up to three years respectively, and are eligible for reappointment.
ISSUES

6. Dr Gary Ward is the current Queensland Government representative on the council having been appointed in May 2011 in his capacity as Queensland Government Statistician at that time. Following the recent restructure of Queensland Treasury and Trade and an assessment of roles and responsibilities of executive management 

7. To facilitate the change in Queensland Government representation on the council, the Commonwealth legislation prescribes that official correspondence nominating Mr Skinner be sent from the Honourable Campbell Newman MP, Premier to the Honourable Bernie Ripoll MP, Parliamentary Secretary to the Treasurer who holds the ministerial responsibility for the ABS.

8. A draft letter from yourself to the Honourable Campbell Newman MP, Premier seeking support for the membership of Mr Skinner on the council is at Attachment A. A suggested letter of nomination from the Premier to the Parliamentary Secretary to the Treasurer is at Attachment B.

RECOMMENDATION

9. That you:

- support the appointment of Mr Antony Skinner as the Queensland Government's representative on the council; and

- seek the support of the Honourable Campbell Newman MP, Premier, for Mr Skinner's membership on the council by approving the attached correspondence.
TRY-02964

The Honourable Campbell Newman MP
Premier
PO Box 15185
CITY EAST QLD 4002

Dear Premier,

The Queensland Government, through the Government Statistician, is represented on a national advisory body on official statistical activities - the Australian Statistics Advisory Council (the council).

The role of the council, which was established by Commonwealth legislation in 1975, is to advise the Commonwealth Minister and the Australian Statistician on the improvement, extension and coordination of statistical services provided for public purposes in Australia, as well as advising on annual and longer term priorities of work that should be adopted in relation to major aspects of the provision of those statistical services.

Each of the six state Premiers nominates a representative member, with membership current for a period of up to three years. Dr Gary Ward was appointed as this State's representative on the Council in 2011 in his capacity as Queensland Government Statistician.

Following the recent restructure of Queensland Treasury and Trade, Mr Antony Skinner has been appointed by the Governor in Council to the position of Queensland Government Statistician. As such, I am seeking your support for Mr Skinner's appointment to the Council as the Queensland Government representative. Further, to facilitate this appointment I would appreciate your approval of the attached correspondence from yourself to the Honourable Bernie Ripoll MP, Parliamentary Secretary to the Treasurer with respect to his ministerial portfolio responsibilities relating to the Australian Bureau of Statistics.

If you require further information, please contact Mr Antony Skinner, government Statistician, Queensland Treasury and Trade, on telephone (07) 3035 5400.

Yours sincerely,

Tim Nicholls
Treasurer and Minister for Trade

Encl.
For reply please quote: Mail Number/Author Code/Work Area
Your reference: TRY-02984

Space for Date Stamp

The Honourable Bernie Ripoll MP
Parliamentary Secretary to the Treasurer
PO Box 6022
Parliament House
CANBERRA ACT 2600

Dear Parliamentary Secretary

I am writing to you in relation to the position of the Queensland representative on the Australian Statistics Advisory Council (the council) as established by the Australian Bureau of Statistics Act 1975.

Dr Gary Ward was appointed as the Queensland representative on the council in May 2011 and Dr Ward’s membership is not due to expire until 2014. Since the appointment, Dr Ward has taken on new responsibilities within Queensland Treasury and Trade and I would like to nominate Mr Antony Skinner to replace Dr Ward as the Queensland representative on ASAC.

I appreciate your consideration of this matter and look forward to receiving your advice.

Yours sincerely

CAMPBELL NEWMAN

Contact: Antony Skinner
Division: Government Statistician
Telephonie: (07) 3038 6400
Date: 25 January 2013
BRIEFING NOTE

FROM
Treasury

FOR
Treasurer and Minister for Trade

SUBJECT
SEQ Bulk Water Reform – New Treasury Company

Contact Officer:
Cecelia Christensen, Legal Services Unit, 3035 1962

Record No:
TRY-01070

Date:
05/07/12

Requested by:
N/A

Date Approval Required By:
09/07/12

PURPOSE

1. The purpose of this brief is to seek your:

   (a) signature on the Declaration of Trust regarding the appointment of the Under Treasurer as the trustee of the State’s shares in the South East Queensland Bulk Water Company Limited (“the Company”);

   (b) signature on the Deed of Indemnity in favour of the Under Treasurer regarding her interim directorship on the Company; and

   (c) approval to prepare a regulation under the South East Queensland Water (Restructuring) Act 2007 (“Restructuring Act”) to declare the Company a ‘relevant water entity’ for the purposes of that Act’s restructuring provisions.

BACKGROUND

2. 

3. 

4. On 3 July 2012, you approved Queensland Treasury and Trade (“Treasury”) establishing the new water company for the purposes of becoming the parent entity of Seqwater and LinkWater. (BN TRY-00950)

ISSUES

Declaration of Trust

5. The Under Treasurer traditionally holds the shares in Treasury companies for the State of Queensland under a declaration of trust.

6. It is proposed that the Under Treasurer be appointed as trustee to hold the shares in the Company on behalf of the State.

7. The Declaration of Trust provides for an indemnity by the State of Queensland to the Under Treasurer in relation to any liability that may arise out of the relevant trusteeship. For this reason, you need to approve and execute the attached Declaration of Trust (along with the Under Treasurer).
Directorships

8. To facilitate the establishment of the Company as soon as possible, it is proposed to appoint Ms Gluer, Mr Jon Black, Director-General, Department of Energy and Water Supply and Mr Keith Millman, Commercial Counsel, as interim directors of the Company.

9. The interim directors will be replaced as soon as the Government has decided on the permanent directors for the Company.

Deed of Indemnity

10. From time to time, Treasury requests its employees to accept appointments as directors, company secretaries and public officers of companies as part of or in the course of their employment with the department. The appointments are undertaken in addition to employees' day-to-day departmental duties, with no additional remuneration.

11. Currently, Treasury employees may apply to the State for the grant of an indemnity and legal assistance in relation to civil proceedings, inquiries and investigations under the Guideline for the grant of indemnities and legal assistance to State employees ("Guideline"). Generally speaking, this Guideline applies in relation to any proceedings arising from acts or omissions of State employees who have acted diligently and conscientiously in the course of their employment with the State. The Guideline is, however, only a policy statement.

12. As you are aware, directors, company secretaries and public officers of companies take on additional statutory duties and obligations which are personal to them; in particular, the duties under the Corporations Act 2001 (Cth). To date, Treasury's practice has been for the State to grant a contractual indemnity to these employees for all liabilities, to the extent permitted by law, which the employees may incur by reason of their acting as directors, officers and public officers of companies. We note that the contractual indemnity is underpinned by the Treasury Insurance Policy with the Queensland Government Insurance Fund.

13. Consistent with the above, a Deed of Indemnity has been prepared in favour of the Under Treasurer in relation to this directorship.

14. The Under Treasurer will deal with the grant of indemnities for other Treasury officers.

Regulation under Restructuring Act

15. An Authority to Prepare a Bill submission is scheduled to be taken to Cabinet in August 2012, with a view to introducing legislation into Parliament immediately after the Budget sessions.

16. In the meantime, it is proposed that a regulation be made under section 104 of the Restructuring Act to declare the Company to be a 'relevant water entity' for the purposes of the Act's existing restructuring provisions.

17. Section 104 of the Act defines 'relevant water entities' to include Seqwater, LinkWater, SEQ Water Grid Manager, the special-purpose vehicle construction companies established by the previous Government to deliver 'drought' projects, and any other State-owned entity prescribed by regulation. Bringing the Company within the ambit of the Act's restructuring provisions will allow you to issue directions to the Company and its board (and to the other relevant water entities) to undertake any actions considered necessary or convenient for restructuring the industry.
18. Subject to your approval, Treasury will finalise drafting instructions for approval by the Under Treasurer, and request the Office of the Queensland Parliamentary Counsel to prepare a regulation for consideration by the Governor in Council in August 2012.

RECOMMENDATION

19. That you:

- approve the appointment of the Under Treasurer as the trustee of the shares in the Company for the State;
- approve the grant of indemnity in favour of the Under Treasurer in relation to her trusteeship and directorship;
- sign the attached Declaration of Trust;
- sign the attached Deed of Indemnity; and
- approve the preparation of a regulation under the South East Queensland Water (Restructuring) Act 2007 to declare the new Company a 'relevant water entity'.

Helen Gluer
Under Treasurer  Date / /

☐ Approved  Treasurer and Minister for Trade  ☐ Not approved  Comments  ☐ Noted

Tim Nicholls
Treasurer and Minister for Trade  / /
DEED OF INDEMNITY

BETWEEN:  
STATE OF QUEENSLAND, through Queensland Treasury, of Level 9, Executive Building, 100 George Street, Brisbane in the State of Queensland ("State")

AND:  
Helen Louise Gluer of Queensland Treasury, Level 9, Executive Building, 100 George Street, Brisbane in the State of Queensland ("Indemnified Party")

RECITALS

A. Queensland Treasury, from time to time, requests its employees to accept appointments as Directors, Officers and Public Officers of companies. These appointments are undertaken by the employees in the ordinary course of their employment with Queensland Treasury.

B. The State has requested the Indemnified Party to act as the Director of the Company.

C. The Indemnified Party has agreed to become a Director so long as the State Indemnifies her for all liabilities, to the extent permitted by law, which the Indemnified Parties may incur by reason of her acting as a Director of the Company.

D. The State has agreed to provide an indemnity to the Indemnified Party upon the terms set out in this Deed.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 In this Deed, unless the context otherwise requires:

"Commercial Counsel" means the person appointed as the head of Treasury's Legal Services Unit (or other equivalent office);

"Company" means South East Queensland Bulk Water Company Limited to be established as a wholly owned company of the State for the purpose of becoming the parent entity of Queensland Bulk Water Supply Authority and Queensland Bulk Water Transport Authority as part of further consolidation of the SEQ bulk water industry;

"Deed" means this deed and any amendments to it;

"Director" includes an alternate director;

"Liability" includes any liability in respect of all actions, applications, judgments, settlements, proceedings, costs (including legal costs on a full indemnity basis), appeals, damages, expenses, examinations, inquiries, investigations, claims, charges, losses, liabilities or any detriment of any kind whatsoever;

"Office" means the office of a Director, Officer or Public Officer of the Company;

"Officer" means officer of a corporation as defined in the Corporations Act 2001 (Cth);
"Public Officer" means a person appointed to the office of public officer for the purposes of section 252 of the *Income Tax Assessment Act 1936 (Cth)* and section 56 of the *Taxation Administration Act 1953 (Cth); and

"Rights" include the grant of an indemnity in favour of the Indemnified Party under clause 3.1.

1.2 Words denoting any gender shall include other gender and words denoting a singular number shall include the plural number and vice versa.

2. **SCOPE OF INDEMNITY**

2.1 This Deed applies to the Indemnified Party for any Liability arising out of acts or omissions occurring during the period from the date on which the Indemnified Party was appointed to the Office and the earlier of the date on which the Indemnified Party ceases to be appointed to the Office and the date on which the Indemnified Party ceases to be an employee of Queensland Treasury.

2.2 For the avoidance of doubt and subject to clause 2.1, any Rights conferred on the Indemnified Party by this Deed continue to exist after the Indemnified Party ceases to be appointed to the Office.

2.3 Any Rights conferred on the Indemnified Party by this Deed are in addition to and not in limitation of any rights of indemnity which the Indemnified Party may, by law or otherwise, have against the State or otherwise.

3. **INDEMNITY**

3.1 Subject to clause 3.2, the State agrees to indemnify and keep indemnified the Indemnified Party against any Liability which the Indemnified Party incurs or may incur to any person in respect of an act, matter or thing done or omitted to be done by the Indemnified Party as a result of, arising out of, in connection with, or incidental to, the performance of the functions and duties of the Office by the Indemnified Party.

3.2 The indemnity in clause 3.1 does not apply in respect of:

(a) any Liability which arises out of conduct by the Indemnified Party involving a lack of good faith; or

(b) any criminal Liability; or

(c) any Liability to the extent the Indemnified Party is indemnified under a policy of insurance in relation to that Liability.

3.3 Without limiting clause 3.1, the indemnity extends to any Liability incurred by the Indemnified Party in defending criminal proceedings in which the Indemnified Party is acquitted.

3.4 The State is not entitled to refuse to make payments under this Deed on the ground that subclauses 3.2(a) or (b) apply, unless that ground has been established in fact by a decision of a court, tribunal or other body with jurisdiction to finally determine the matter or by an admission in writing by the Indemnified Party.
3.5 If, in relation to the Indemnified Party, it is established in fact by a decision of a court, tribunal or other body with jurisdiction to finally determine the matter or by admission in writing by the Indemnified Party that the circumstances contemplated by subclauses 3.2(a) or (b) have occurred, any sum paid by the State as a consequence of this Deed must be repaid by the Indemnified Party to the State and that sum is a debt due and payable to the State.

3.6 If, in relation to the Indemnified Party, it is established that the circumstances contemplated by subclause 3.2(c) have occurred, any sum received by the Indemnified Party under a policy of insurance must be paid to the State to the extent that the State has previously paid an amount equal to that sum as a consequence of this Deed and that sum is a debt due and payable to the State.

4. PAYMENT

4.1 Subject to clause 4.3, the State will pay any Liability of the Indemnified Party for which the Indemnified Party is indemnified under clause 3.1 at the time when the Liability is payable by the Indemnified Party, and, in any event, not later than 30 days from receipt of the account by Commercial Counsel, unless otherwise agreed between the Treasurer and the Indemnified Party.

4.2 In the event of a claim of any kind against the Indemnified Party for which the State may be liable to indemnify the Indemnified Party under this Deed, the State may advance to the Indemnified Party such amounts as it considers reasonable to meet the legal costs and expenses of the Indemnified Party in investigating and defending such claim. For the avoidance of doubt, this clause applies to the circumstances where the Indemnified Party or the State becomes aware of circumstances which may give rise to a claim contemplated by this Deed.

4.3 All accounts (including accounts for advance payments) must be forwarded to the Commercial Counsel, Queensland Treasury, Level 6, Executive Building, 100 George Street, Brisbane QLD 4000 or other address as notified by the Treasurer.

5. Continued application

5.1 The Deed also applies to the Indemnified Party:

(a) who is appointed as a Director of the Company; and

(b) who ceases to be an employee of Queensland Treasury,

if, after the date of this Deed, the Treasurer acknowledges in writing that the Deed continues to apply to the Indemnified Party for the particular Office and for a specified period.

6. MISCELLANEOUS

6.1 Severability

If it is held by a court of competent jurisdiction that:

(a) any part of this Deed is void, voidable, illegal or unenforceable; or

(b) this Deed would be void, voidable, illegal or unenforceable unless any part of this Deed were severed from this Deed,
that part shall be severed from and shall not affect the continued operation of the rest of this Deed.

6.2 Irrevocable Deed

This Deed is irrevocable, and must not be varied, amended or revoked by the State in respect of the Indemnified Party without the consent in writing of that Indemnified Party.

6.3 Waiver

Any failure by a party to insist on strict performance of this Deed or any delay in exercising any remedy or right under this Deed does not constitute, or is not deemed to be, a waiver or variation of any rights.

6.4 Costs

The State must pay the costs of and incidental to the costs of preparation and execution of this Deed.

6.5 Stamp Duty

The State is responsible for the stamping of this Deed and must pay any and all stamp duty assessed and payable on it.

6.6 Governing Law

This Deed will be governed by and construed in accordance with the laws of Queensland.

EXECUTED as a Deed at Brisbane on the 10th day of July, 2012

SIGNED, SEALED AND DELIVERED
by Tim Nicholls, Treasurer and Minister for Trade, for and on behalf of the STATE OF QUEENSLAND in the presence of:

[Signature of Witness]
HELEN LOUISE GLUER

and

STATE OF QUEENSLAND

DECLARATION OF TRUST

South East Queensland Bulk Water Company Limited
Date

Parties

1. HELEN LOUISE GLUER of Queensland Treasury and Trade, Level 9, Executive Building, 100 George Street, Brisbane in the State of Queensland ("Trustee").

2. STATE OF QUEENSLAND, through Queensland Treasury and Trade, Level 9, Executive Building, 100 George Street, Brisbane in the State of Queensland ("Beneficiary").

Recitals

A The Beneficiary, through Queensland Treasury and Trade, proposes to establish the Company for the purposes of ultimately becoming the parent entity of Seqwater and LinkWater as part of the further rationalisation of the SEQ bulk water industry.

B Upon the registration of the Company, the Trustee, on behalf of the Beneficiary, will take up two shares in the Company. The Shares will be issued in the name of the Trustee on the basis and with the intention that the Trustee will hold the Shares on trust for the Beneficiary.

C The Beneficiary has agreed to indemnify the Trustee against all liabilities which the Trustee may incur or to which the Trustee may become liable by reason of the Trustee being registered as the holder of the Shares.

It is agreed as follows.

1. Definitions and interpretations

1.1 Definitions

The following definition applies unless the context requires otherwise.

Accretions means all accretions, rights and benefits attaching to the Shares including, without limitation, all rights to receive dividends and any other distributions and to receive or subscribe for shares, stock units, notes, options or other securities declared, paid or issued by the Company.

Company means South East Queensland Bulk Water Company Limited and referred to in Recital A.

Shares mean the two shares in the Company issued or to be issued to the Trustee and referred to in Recital B.

Trust means the trust declared in respect of the Shares under this Deed.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

(a) The singular includes the plural and conversely.

(b) A gender includes all genders.
(c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.

(e) A reference to a clause is a reference to a clause of this Deed.

(f) A reference to an agreement or document (including, without limitation, a reference to this Deed) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this Deed or that other agreement or document.

(g) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

2. Declaration of Trust

The Trustee:

(a) declares that she holds or will hold the Shares and any Accretions on trust for the Beneficiary; and

(b) must transfer and deal with the Shares and any Accretions as the Beneficiary directs.

3. Rights and duties of the parties

To the extent reasonably practicable the Trustee must:

(a) attend meetings of the Company which the Trustee is directed in writing by the Beneficiary to attend and which the Trustee is entitled to attend (and in the absence of direction, attend those meetings which the Trustee sees fit to attend);

(b) vote at meetings of the Company as the Trustee is directed in writing by the Beneficiary to vote at and at which the Trustee is entitled to vote (and in the absence of direction, vote at meetings in the manner the Trustee sees fit);

(c) if required in writing by the Beneficiary, execute all proxies, powers of attorney and other documents which are necessary or desirable to enable the Beneficiary to vote in the place of the Trustee at meetings of the Company as the Beneficiary directs;

(d) generally act in such a manner and at such time in relation to the Shares as the Beneficiary directs from time to time in writing; and

(e) ratify and confirm any acts done or purported to be done by the Beneficiary as the Trustee's attorney for the purposes of clause 5 of this Deed.

4. Variation

The Trustee shall not determine, or vary or amend the terms of, this Trust without the written consent of the Beneficiary.
5. Attorney

The Trustee irrevocably appoints the Beneficiary as the attorney of the Trustee to execute any transfer of the Shares and to take all such steps as the Trustee directs in writing for the purpose of having the Shares registered in the name of the Beneficiary or in the name of such other persons as the Beneficiary nominates.

6. Indemnity

The Beneficiary indemnifies the Trustee against any claim, loss, liability, cost and expense that may be incurred or sustained by the Trustee as a result of any of the Shares being registered in the name of the Trustee and, without limitation, the Beneficiary must punctually pay all calls or other demands which the Trustee may be liable to pay or meet in respect of any of the Shares or Accretions.

7. Costs

7.1 Costs of Deed

The Beneficiary must bear all costs arising out of the negotiation, preparation and execution of this Deed.

7.2 Duties and taxes

The Beneficiary must pay all stamp, transaction, registration, financial institutions, debit and other duties and taxes (including fines, penalties and interest) that may be payable on or in connection with the execution, delivery, performance or enforcement of:

(a) this Deed; and

(b) any deed, instrument, transfer or other document executed to give effect to any provisions of this Deed.

8. Term and Termination

8.1 Subject to clauses 8.2 and 8.3 of this Deed, the Trust shall determine on 1 July 2092.

8.2 The Beneficiary may determine this Trust at any time prior to the date specified in clause 8.1.

8.3 Upon the termination of this Trust, the Shares and all dividends, rights and other property relating to the Shares shall vest absolutely in the Beneficiary.

9. Governing law and jurisdiction

This Deed is governed by the laws of Queensland. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed.
Executed as a Deed in the State of Queensland.

Signed by Helen Louise Gluer, Under Treasurer, in the presence of:

Witness Signature

Print Name

Signature of Helen Louise Gluer

Executed for and on behalf of the State of Queensland by Tim Nicholls, Treasurer and Minister for Trade, in the presence of:

Witness Signature

Print Name

Signature of Tim Nicholls
BRIEFING NOTE

FROM Treasury and Trade

FOR Treasurer and Minister for Trade

SUBJECT Direction for internal review applications made to the Office of the Treasurer and Minister for Trade under the Right to Information Act 2009

Contact Officer: Megan Lederhose, Administrative Review Unit, 3035 1863
Record No: TRY-02170
Date: 16/10/12

Requested by: Alison Mew, Departmental Liaison Officer, Office of the Treasurer and Minister for Trade
Date Approval Required By: 17/10/2012

PURPOSE

The purpose of this submission is to seek your:

• signature on the attached Direction authorising the position of Assistant Under Treasurer to carry out internal review applications on behalf of your office.

BACKGROUND

On 18 July 2012, an application for access to documents pursuant to section 23 of the Right to Information Act 2009 (the “Act”) was received by the agency. This application sought access to documents in the possession of your office in relation to the following:

“Any documents relating to meetings between the Treasurer and Minister for Trade or the Treasurer and Minister for Trade’s Ministerial staff during the weekend of the Liberal National Party’s State Convention and Business People, Stakeholders and members of the general public. Time Period: 13 July – 15 July 2012.”

In accordance with section 31(1) of the Act, you have directed that all applications made to your office be dealt with by the Manager, Administrative Review, Administrative Review Unit, Legal and Administrative Review Office.

This application was dealt with as per your direction and a decision to release in part the relevant documents was made on 23 August 2012.

On 20 September 2012, an application for internal review was received in relation to the decision of 23 August 2012. A decision is due to be made on this internal review application on or by 19 October 2012.

ISSUES

Section 80(3) of the Act clearly states that an internal review application must not be decided by either the person who made the reviewable decision or a person who is less senior than that person. Therefore, a Direction is required to be signed authorising an officer more senior than the original decision-maker (i.e. Manager, Administrative Review) to carry out this internal review application.

To maintain consistency with the department’s processes regarding internal review applications, it is suggested that the most appropriate position within the department to conduct internal review applications for your office would be the position of Assistant Under Treasurer. Currently there are five Assistant Under Treasurers within the department who could undertake the reviews.
RECOMMENDATION

That you:

- sign the attached Ministerial Direction authorising the position of Assistant Under Treasurer to carry out internal review applications on behalf of your office.

Helen Gluer  
Under Treasurer  
Date / /  

[Table]

<table>
<thead>
<tr>
<th>Approval</th>
<th>Not approved</th>
<th>Noted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer and Minister for Trade</td>
<td>Comments</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tim Nicholls  
Treasurer and Minister for Trade  
/ /  

* This officer may be required to provide further detailed information regarding the issue
TREASURER AND MINISTER FOR TRADE
DIRECTION PURSUANT TO SECTION 31(1) OF
RIGHT TO INFORMATION ACT 2009

I, Timothy James Nicholls, Treasurer and Minister for Trade, DO HEREBY DIRECT, pursuant to section 31(1) of the Right to Information Act 2009 ("the Act"), the following officer specified below to deal with applications under the Act for review of decisions pursuant to section 80 of the Act as specified opposite the office from the date hereto until otherwise determined.

Decision-Maker: Assistant Under Treasurer
Queensland Treasury and Trade

DATED this day of 2012

________________________________
Hon Timothy (Tim) Nicholls
Treasurer and Minister for Trade
BRIEFING NOTE

FROM | Treasury and Trade
FOR | Treasurer and Minister for Trade
SUBJECT | Replacement Ministerial Direction – Merger of South East Queensland (SEQ) Bulk Water Entities

Contact Officer: Greg Tonks, Economic and Structural Policy Branch, (07) 3035 1498
Record No: TRY-01686
Date: 30/08/2012
Requested by: N/A
Date Approval Required By: / /

PURPOSE

1. To seek your signature on a replacement Ministerial Direction under the South East Queensland Water (Restructuring) Act 2007 (Restructuring Act).

BACKGROUND

2. You were recently provided with a Ministerial Direction under section 107 of the Restructuring Act requiring the bulk water entities to take necessary steps and actions to effect the restructure of the SEQ bulk water industry (TRY-01463).

3. 

4. 

5. 

6. By regulation under the Restructuring Act, the assets, liabilities and employees of LinkWater and the WGM will be transferred into Seqwater by 1 January 2013.

ISSUES

7. Given the compressed implementation timetable, the necessary due diligence preparations and planning for the merger needs to proceed without delay. To facilitate cooperation by the bulk water entities in implementing the project (including the provision of requisite business information and responding to data requests), a replacement Direction has been prepared for your signature.
8. The replacement Direction reflects the terms of the original, and requires the bulk water entities to:
   - take the necessary steps to implement the industry restructure;
   - provide full cooperation and assistance to the State, the other bulk water entities and their respective advisors to implement the reform project; and
   - take any other necessary, ancillary or incidental actions to give effect to the restructure (e.g. passing the required board resolutions, executing any necessary documents).

9. The key change is in the new definition of the reform project, which now involves:
   - the transfer of LinkWater’s business (including its employees) to Seqwater;
   - the transfer of all or part of the SEQ Water Grid Manager’s business (including its employees) to Seqwater; and
   - the dissolution of LinkWater and the SEQ Water Grid Manager.

10. Otherwise, the form and general content are consistent with directions issued in the context of other recent institutional reform transactions.

RECOMMENDATION

11. It is recommended that you sign the attached Ministerial Direction under the Restructuring Act requiring the SEQ bulk water entities to take necessary steps and actions to effect the merger of the businesses.

Helen Gluer  
Under Treasurer  
Date / /  

☐ Approved  
☐ Not approved  
☐ Noted  

Treasurer and Minister for Trade  
Comments  

Tim Nicholls  
Treasurer and Minister for Trade  
/ /  

<table>
<thead>
<tr>
<th>Name</th>
<th>*Action Officer/Author:</th>
<th>Director:</th>
<th>ED/AUT:</th>
<th>OUT:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Greg Tonks</td>
<td>Tentis Homan</td>
<td></td>
<td>Gary Ward</td>
</tr>
<tr>
<td>Branch/Division:</td>
<td>Economic and Structural Policy Branch</td>
<td>(07) 3036 1488</td>
<td>(07) 3036 1487</td>
<td>(07) 3036 1935</td>
</tr>
<tr>
<td>Telephone:</td>
<td>(07) 3036 1488</td>
<td>(07) 3036 1487</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td>30 August 2012</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
</tbody>
</table>

* This officer may be required to provide further detailed information regarding the issue.
South East Queensland Water (Restructuring) Act 2007 (Qld)

Section 107

MINISTERIAL DIRECTION

Tim Nicholls
Treasurer and Minister for Trade

Signed on ________ day of ________, 2012

Pursuant to section 107 of the Act I, Tim Nicholls, Treasurer and Minister for Trade, direct the Bulk Water Entities and their boards to do each of the following:

(a) take the necessary steps to implement the Project;
(b) provide full cooperation and assistance to the State, the Bulk Water Entities and their advisors to implement the Project; and
(c) take such other actions as are necessary, ancillary or incidental, including, without limitation, passing the required board resolutions and executing and delivering such documents as are necessary to give effect to any matter referred to in this Direction.

I direct that, where there is an ambiguity or doubt about the meaning or intent of this Direction, the Bulk Water Entities give effect to the interpretation of the matter by the Under Treasurer as advised to it in a written clarifying statement by the Under Treasurer.

In this Direction:
"Act" means the South East Queensland Water (Restructuring) Act 2007 (Qld) as amended from time to time;
"Bulk Water Entities" means the Company, Seqwater, LinkWater and the SEQ Water Grid Manager;
"Company" means the South East Queensland Bulk Water Company Limited (ACN 159 448 325);
"Direction" means this ministerial direction and any amendments made to it;
"LinkWater" means the Queensland Bulk Water Transport Authority established under the Act;
"Project" means any steps relating to:
(a) the transfer of LinkWater's business (including its employees) to Seqwater;
(b) the transfer of all or part of the SEQ Water Grid Manager's business (including its employees) to Seqwater; and
(c) the dissolution of LinkWater and the SEQ Water Grid Manager.
"Seqwater" means the Queensland Bulk Water Supply Authority established under the Act;
"Under Treasurer" means the chief executive of the department responsible for administering this Act; and
words that are defined in the Act have the same meaning where they are used in this Direction.
Pages 131 through 136 redacted for the following reasons:

Sch.3(2)(b)
BRIEFING NOTE

FROM | Treasury and Trade
FOR  | Treasurer and Minister for Trade
SUBJECT | Queensland Competition Authority Board
Contact Officer: | Tania Homan, Microeconomics and Structural Reform, 30351487
Record No: | TRY-02436
Date: | 12/11/2012
Requested by: | N/A
Date Approval Required By: | 13/11/2012

PURPOSE

1. The purpose of this submission is to:
   - seek your signature on a to appoint a Chairperson and extend some existing member’s terms of appointment on the Queensland Competition Authority (QCA) Board; and
   - provide information relevant to your meeting with the selection panel’s recommendation for Chairperson, Dr Malcolm Roberts.

BACKGROUND

2. Four of the five members’ terms of appointment on the QCA Board expire on 8 December 2012;

3. A national advertising process was undertaken to fill the positions of full-time Chairperson, part-time Deputy Chairperson and part-time member. The selection panel, comprising myself, Jon Grayson and Jon Black, recommended two candidates as being suitable for appointment to the Chairperson position, in order of merit:
   - Dr Malcolm Roberts
   - (Attachment 1 – Selection Panel Report)

4. In addition to the new Chairperson, at least one other of the existing Board member’s term must be extended for an interim period (from 8 December 2012) to maintain the required quorum on the QCA Board and allow time for the newly appointed Chairperson to assist the selection panel in choosing the remaining two Board members.

ISSUES

Dr Malcolm Roberts

5. You are scheduled to meet Dr Malcolm Roberts on Wednesday 14 November 2012;

6. Dr Roberts is currently the Chief Executive of Energy Networks Associations which represents the 23 businesses operating Australia’s electricity and gas transmission and distribution networks.
   - (Attachment 2 – CV or
   - Dr Malcolm Roberts)

7. 
8. The salary negotiated has been advertised in the range of $350,000-$400,000 p.a. plus additional expenses. (Attachment 3 – package sent to QCA Chairperson applicants);

**Interim term extension for existing Board members**

9. From 8 December 2012 (when four of the five member’s terms expire), the QCA Board will comprise of two members – a newly appointed Chairperson and one existing member, Ms Sally Pitkin (whose term expires in December 2014). Under the provisions of the *Queensland Competition Authority Act 1997 (QCA Act)* however, the QCA Board must consist of at least 3 members;

10. On this basis, it is proposed that two of the existing member’s, Dr David Watson and Professor Justin Malbon be approached to have their terms extended by a four month period from 8 December 2012 until April 2013. It is understood the third existing QCA Board member and current Deputy Chairperson, Mr Mark Christensen will not be seeking re-appointment. It is proposed Dr David Watson be appointed to the Deputy Chairperson position for this interim extension.

11. The extension of terms will provide quorum on the QCA Board and allow necessary time for the newly appointed Chairperson to assist the selection panel in choosing the two new remaining Board members. (It is worth noting the four existing Board member’s terms were extended for an interim period from August 2012-December 2012 for the current recruitment process to be undertaken). (Table - summary of current QCA Board)

<table>
<thead>
<tr>
<th>Current Board Member</th>
<th>Current term **</th>
<th>Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Parmenter</td>
<td>9/8/2009 - 8/12/2012</td>
<td>Seeks re-appointment and Chairperson position yet to be decided</td>
</tr>
<tr>
<td>Mark Christensen</td>
<td>9/8/2009 - 8/12/2012</td>
<td>Will not be seeking re-appointment</td>
</tr>
<tr>
<td>Justin Malbon</td>
<td>9/8/2009 - 8/12/2012</td>
<td>To be approached to extend term to 8 April 2013</td>
</tr>
<tr>
<td>David Watson*</td>
<td>9/8/2009 - 8/12/2012</td>
<td>To be approached to extend term to 8 April 2013 as Deputy Chairperson</td>
</tr>
</tbody>
</table>

*Applied for re-appointment
**Interim 4 month term extension from 8/8/12 granted by you on the 19 July 2012 (TRY-00592)

**Appointment Process**

12. The Chairperson’s appointment and existing member’s term extension requires Cabinet and Governor in Council approval prior to the 8 December 2012. Assuming the Premier approves late lodgements it is proposed the appointments be considered by Cabinet on the meeting of the 26 November 2012 and by the Governor in Council the week after on 6 December 2012. (Attachment 4 – Letter to the Premier)
RECOMMENDATION

13. That you:

- Note the information regarding Dr Malcolm Roberts;
- Approve an interim four month term extension from 8 December 2012- April 2013 for Dr David Watson as Deputy Chairperson and Professor Justin Malbon until April 2013 on the Board of the QCA (pending their acceptance);
- Sign the attached letter to the Premier seeking late lodgement of the submissions required for Cabinet and Governor in Council to appoint a Chairperson.

Helen Gluer
Under Treasurer  Date / /

☐ Approved
Treasurer and Minister for Trade  ☐ Not approved
Comments  ☐ Noted

Tim Nicholls
Treasurer and Minister for Trade  / /

*This officer may be required to provide further detailed information regarding the issue
Queensland Competition Authority

Role Title/s and Salary

- Chairperson: Full Time - $350,000 - $400,000 p.a.
- Deputy Chairperson: Part Time - $60,000 - $100,000 p.a.
- Member: Part Time - $60,000 - $100,000 p.a.

Contact

Ms Tania Homan, Director, Economic and Structural Policy, Queensland Treasury & Trade
(07) 3035 1487 or tania.homan@treasury.qld.gov.au

Closing Date

13 August 2012

How to apply: please email your application to QCABoard@treasury.qld.gov.au

About the role

The Queensland Competition Authority

The Queensland Competition Authority (the Authority) was established as an independent statutory authority in 1997. The Authority’s primary role is to ensure that key monopoly businesses operating in Queensland do not abuse their market power through unfair pricing or restrictive access arrangements. It also includes a new Office of Best Practice Regulation which is part of the Government’s plan to reduce red tape and regulation. When directed by Ministers, it can investigate, report and make recommendations on most economic matters of significance to the State.

The Authority works in the areas of rail, ports, electricity, gas, water and competitive neutrality. It determines prices and detailed access arrangements for services provided by rail and port infrastructure providers.

The Authority's workload has increased significantly in recent times and it now regulates large privately owned/listed companies where its decisions directly impacts on the productivity of Queensland’s coal mining functions. It monitors prices and service quality for water distributors and through a delegation from the Minister for Energy, it sets the electricity retail prices. It has formal investigatory powers and can conduct formal arbitrations. It can also make recommendations on competitive neutrality disputes.

The Authority was established under the Queensland Competition Authority Act 1997 (the QCA Act). (http://www.legislation.qld.gov.au/LEGISLN/CURRENT/Q/QldCompAuthA97.pdf)

For further information about the work of the Authority visit www.qca.org.au
Reporting/work relationships

Under the QCA Act, the Board of the Authority (the Board) is to consist of at least three members, each of whom may be appointed for a term not exceeding five years.

The Board will comprise one full-time Chairperson, one part-time Deputy Chairperson and one part-time Member.

The Board has very broad powers providing high level policy and regulatory advice which impacts on the State economy as a whole, and plays a sensitive role in regulating privately listed companies. Depending which provisions under the QCA Act it is operating under, it is able to make deterministice decisions independent of Government or provide recommendations to Government in regard to pricing or competitive neutrality. Board members need to be suitably qualified and recognized.

The Board members are required to be intimately involved in all issues considered by the Authority as reports/decisions and recommendations from the QCA are issued by the Board.

Key responsibilities

The responsibilities and duties of the role include the following:

- The Board of the Authority sits at least once a month for up to a full day plus other commitments including an unspecified number of special meetings. The Chairperson will set the meeting dates and times.
- The sitting time will be for up to a full day plus other commitments
- At meetings there can be at least 25-30 matters to consider of which many require intense consideration.
- On average, 40 decisions or issues papers are published each year.
- Board members must sign off on all decisions. The decisions required are quite technical and often run to hundreds of pages. Issues are often quite intricate and take a lot of time to consider.
Are you the right person for the job?

Your suitability for this role will be assessed on the basis of your experience, skills and achievements in the following key attributes as they apply to the responsibilities of the role:

- Shapes strategic thinking -- capacity to think and act strategically
- High levels of performance in significant and relevant fields of endeavour
- Experience in, or knowledge of, general management or a specialist field which may be relevant
- Proven ability to achieve results
- Cultivates productive working relationships
- Exemplifies personal drive and integrity
- Communicates with influence

In addition, in the selection of the Chairperson, emphasis should be placed on a person who is:

- Able to exhibit clear leadership; and
- Able to work effectively with:
  - The Ministers
  - Other members of the Board
  - The Chief Executive and senior staff
  - Key stakeholders

Interested in applying?

Please submit the following for the panel to assess your suitability:

- Your resume which outlines your previous work experience and any other information relevant to this role, including contact details of two referees with a thorough knowledge of your work performance and conduct. Please ensure that one of the referees is current.
- A statement about how your knowledge, skills and experience meet the key attributes as they apply to the responsibilities of the role (maximum of five pages).

Additional information

- The candidates for Board appointments will have a record of personal, professional and commercial integrity.

- Probity checks must be undertaken for all appointments. Particular issues to consider include whether a candidate:
  - Is or has been insolvent;
  - Has been convicted of any indictable offence;
  - Has been convicted of fraud;
  - Has been disqualified from acting as a director or acting in the management of a company;
  - Has any conflicts of interest – private interests that may affect or appear to affect your public duty;

If you are being nominated for appointment to a role, you will be required to provide written consent to undertake the criminal history screening. If you choose not to consent you will no longer be considered for the role.

- All appointment must disclose any previous employment as a lobbyist within the last two years and
- Citizenship requirements apply.
The Honourable Campbell Newman MP
Premier
PO Box 15185
CITY EAST QLD 4002

Dear Premier,

The Board of the Queensland Competition Authority (QCA) currently comprises five part-time members. Four members*, including the Chairperson, terms of appointment expire on 8 December 2012.

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Current term **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brian Parmenter (Chairperson) *</td>
<td>9/8/2009 - 8/12/2012</td>
</tr>
<tr>
<td>Mark Christensen (Deputy Chairperson)</td>
<td>9/8/2009 - 8/12/2012</td>
</tr>
<tr>
<td>Justin Malbon</td>
<td>9/8/2009 - 8/12/2012</td>
</tr>
</tbody>
</table>

*Applied for re-appointment
**Interim 4 month term extension from 8/8/12 granted by you on the 19 July 2012 (TRY-00592)

In July 2012, a two week national advertising process was undertaken and a QCA Board selection panel comprising Mr Jon Grayson, Director-General, Department of Premier and Cabinet, Ms Helen Glue, Under Treasurer (Chair) and Mr Jon Black, Director-General, Department of Energy and Water Supply was established. Five applications were received for the position of Chairperson and the panel, concerned about the relatively small pool of applicants, decided to undertake a wider search of suitably qualified individuals.

After reviewing and assessing all applications, the selection panel recommended two suitable candidates in order of merit. I am meeting with the panel’s preferred candidate, Dr Malcolm Roberts, this week and will then submit a significant appointment submission to Cabinet and Governor in Council.

Given the longer than expected timeframe taken to select the Chairperson, I seek your approval to lodge late submissions for both Cabinet and Governor in Council in order to finalise the appointment prior to 8 December 2012 when the current Chairperson’s term expires.
It should be noted both the Cabinet submission and Executive Council Minute to appoint Dr Malcolm Roberts as the new Chairperson will also seek approval to extend the term of at least one of the existing members on the QCA Board for a further four months. This interim extension will maintain the required quorum of three members on the QCA Board (i.e. Dr Malcolm Roberts, at least one existing member and Ms Sally Pitkin - a current member whose term expires in August next year).

Subsequent to appointing Dr Malcolm Roberts, it is proposed he would then assist the QCA selection panel in recommending a Deputy Chairperson and one other member to the Board for the longer term.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

Encl.
BRIEFING NOTE

FROM | Treasury and Trade
---|---
FOR | Treasurer and Minister for Trade

SUBJECT
Certification of Final SEQ Water Grid Manager and LinkWater Financial Statements - Appointment of ‘Former Responsible Person’

| Contact Officer: | Greg Tonks, Microeconomics and Structural Reform, (07) 3035 1498 |
| Record No: | TRY-02652 |
| Date: | 03/12/2012 |

Requested by: NIA

Date Approval Required By: / / 

PURPOSE

1. The purpose of this brief is to:

   - seek you approval under the Financial and Performance Management Standard 2009 (FPMS) for the appointment of Mr Peter Scott as the ‘former responsible person’ to certify the final accounts of the SEQ Water Grid Manager (WGM) and LinkWater; and
   - request you note the intention to provide a basic State indemnity to Mr Scott for fulfilling the role.

BACKGROUND

2. By regulation under the South East Queensland Water (Restructuring) Act 2007, the assets, liabilities, instruments and employees of LinkWater and the WGM will be transferred to the Queensland Bulk Water Supply Authority (QBWSA) on 1 January 2013. The transferring entities will be dissolved on that date.

ISSUES

3. The regulation to merge the businesses will assign QBWSA responsibility for preparing the final annual reports and financial statements for the dissolved entities. (In the normal course, responsibility would reside with the administering department, in accordance with the FPMS).

4. Notwithstanding the requirement for QBWSA to prepare the entities’ financial statements, the FPMS requires that the former chair and other ‘former responsible person’ (normally the chief financial officer (CFO) or equivalent) of an abolished statutory body must certify that:

   (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
   (b) the final financial statements show a true and fair view, under prescribed accounting standards, of the abolished statutory body’s transactions for the final period and financial position at the end of the period.

5. If the former chair or CFO is unavailable to act, section 48 of the FPMS gives the Treasurer the discretion to appoint another person.

6. Discussions with the chairs of LinkWater and the WGM indicate they will be available to certify the final accounts. However, formal confirmation has been sought in this regard.
7. The CFO of each entity has advised they will not be available to certify the final financial statements. In their stead, the incoming CFO of QBWSA (Mr Scott) has confirmed his willingness to be appointed as the former responsible person under the FMPS, subject to the provision of appropriate management letters from the outgoing CFOs and the provision of a simple indemnity.

8. Mr Scott is currently the Program Director, South East Queensland Bulk Water Company Limited (SEQBWCo). Prior to that, he was Chief Executive Officer of Wide Bay Water Corporation, and previously occupied various CFO roles in local governments and South East Queensland water utilities (including Unitywater). The SEQBWCo Board recently confirmed his appointment as the CFO of QBWSA from 1 January 2013.

9. Where a person is appointed to fulfill the role of ‘former responsible person’ under the FMPS, it is usual practice for the State to indemnify that person against any liability incurred in respect of actions or omissions in performing the functions and duties of the former responsible person (with standard exclusions related to lack of good faith, criminal liability etc). A simple deed modelled on similar indemnities provided in past transactions has been prepared by Queensland Treasury and Trade’s Legal Services Unit for execution by the Under Treasurer (refer Attachment 1). The provision of the indemnity is regarded as extremely low risk.

RECOMMENDATION

10. That you:

- approve the appointment of Mr Peter Scott as ‘former responsible person’ for certifying the final accounts of LinkWater and the WGM in accordance with section 48 of the FMPS;
- note that, subject to your approval, it is proposed that the Under Treasurer write to Mr Scott confirming the appointment, and execute a deed of indemnity along the lines of the attached.

Helen Gluer
Under Treasurer

[Date]

☐ Approved
Treasurer and Minister for Trade

☐ Not approved
Comments

☐ Noted

Tim Nicholls
Treasurer and Minister for Trade

/ /
DEED POLL

BETWEEN: STATE OF QUEENSLAND through Queensland Treasury and Trade of 100 George Street, Brisbane in the State of Queensland ("State")

AND: PETER SCOTT, c/o Queensland Bulk Water Supply Authority, 240 Margaret Street, Brisbane in the State of Queensland ("Indemnified Party")

RECITALS

A. Under section 48 of the Financial and Performance Management Standard 2009 (Qld) ("Standard"), the former chairperson of, and the former responsible person for, an abolished statutory body must certify the final financial statements in accordance with that section.

B. Queensland Treasury and Trade has requested the Indemnified Party to act as the former responsible person in relation to the certification of the final financial statements of the Queensland Bulk Water Transport Authority and the SEQ Water Grid Manager in accordance with section 48 of the Standard.

C. It is anticipated that the Treasurer will approve the Indemnified Party to be the former responsible person for the Queensland Bulk Water Transport Authority and the SEQ Water Grid Manager under section 48 of the Standard.

D. The State has agreed to provide an indemnity to the Indemnified Party upon the terms set out in this Deed in relation to the Indemnified Party acting as the former responsible person for the Queensland Bulk Water Transport Authority and the SEQ Water Grid Manager.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 In this Deed, unless the context otherwise requires:

"Deed" means this deed including any amendments to this Deed;

"Entities" means the Queensland Bulk Water Transport Authority and the SEQ Water Grid Manager established under section 6 of the South East Queensland Water (Restructuring) Act 2007 (Qld);

"Former Responsible Person" has the meaning given to it in section 48 of the Standard;

"Liability" includes any liability in respect of all actions, applications, judgments, settlements, proceedings, costs (including legal costs on a full indemnity basis), appeals, damages, expenses, examinations, inquiries, investigations, claims, charges, losses, liabilities or any detriment of any kind whatsoever;

"Rights" include the grant of an indemnity in favour of the Indemnified Party under clause 3.1;
“Standard” means the *Financial and Performance Management Standard 2009 (Qld)*; and

“Under Treasurer” means the chief executive of the department responsible for administering the *Financial Accountability Act 2009 (Qld)*.

1.2 Words denoting any gender shall include other gender and words denoting a singular number shall include the plural number and vice versa.

2. **SCOPE OF INDEMNITY**

2.1 This Deed applies to the Indemnified Party for any Liability arising out of acts or omissions occurring during the period for which the Indemnified Party acts as the Former Responsible Person for the Entities.

2.2 For the avoidance of doubt and subject to clause 2.1, any Rights conferred on the Indemnified Party by this Deed continue to exist after the Indemnified Party ceases to act as the Former Responsible Person.

2.3 Any Rights conferred on the Indemnified Party by this Deed are in addition to and not in limitation of any rights of indemnity which the Indemnified Party may, by law or otherwise, have against the State or otherwise.

3. **INDEMNITY**

3.1 Subject to clause 3.2, the State agrees to indemnify and keep indemnified the Indemnified Party against any Liability which the Indemnified Party incurs or may incur to any person in respect of an act, matter or thing done or omitted to be done by the Indemnified Party as a result of, arising out of, in connection with, or incidental to, the performance of the functions and duties of the Former Responsible Person for the Entities.

3.2 The indemnity in clause 3.1 does not apply in respect of:

(a) any Liability which arises out of conduct by the Indemnified Party involving a lack of good faith; or

(b) any criminal Liability; or

(c) any Liability where, and to the extent that, the Indemnified Party is not permitted to be indemnified by law.

3.3 To avoid doubt, the indemnity extends to liabilities for costs and expenses incurred by the Indemnified Party in defending proceedings or in connection with an investigation or an application for relief from liability, but the indemnity shall not extend to such costs and expenses if not permitted at law or if they are incurred:

(a) in defending a proceeding in which the Indemnified Party is found to have a liability for which they are not indemnified under clause 3.2; or

(b) in defending criminal proceedings in which the Indemnified Party is found guilty; or

(c) in connection with an application in relation to a proceeding in which relief is denied to the Indemnified Party by a court.
3.4 The State is not entitled to refuse to make payments under this Deed on the ground that subclauses 3.2(a) or (b) apply, unless that ground has been established in fact by a decision of a court, tribunal or other body with jurisdiction to finally determine the matter or by an admission in writing by the Indemnified Party.

3.5 If, in relation to the Indemnified Party, it is established in fact by a decision of a court, tribunal or other body with jurisdiction to finally determine the matter or by admission in writing by the Indemnified Party that the circumstances contemplated by subclauses 3.2(a) or (b) have occurred, any sum paid by the State as a consequence of this Deed must be repaid by the Indemnified Party to the State and that sum is a debt due and payable to the State.

4. PAYMENT

4.1 Subject to clause 4.3, the State will pay any Liability of the Indemnified Party for which the Indemnified Party is indemnified under clause 3.1 at the time when the Liability is payable by the Indemnified Party, and, in any event, not later than 30 days from receipt of the account by the Under Treasurer, unless otherwise agreed between the Under Treasurer and the Indemnified Party.

4.2 In the event of a claim of any kind against the Indemnified Party for which the State may be liable to indemnify the Indemnified Party under this Deed, the State may advance to the Indemnified Party such amounts as it considers reasonable to meet the legal costs and expenses of the Indemnified Party in investigating and defending such claim. For the avoidance of doubt, this clause applies to the circumstances where the Indemnified Party or the State becomes aware of circumstances which may give rise to a claim contemplated by this Deed.

4.3 All accounts (including accounts for advance payments) must be forwarded to the Under Treasurer, Queensland Treasury and Trade, Level 9, Executive Building, 100 George Street, Brisbane QLD 4000 or other address as notified by the Under Treasurer.

5. MISCELLANEOUS

5.1 Severability

If it is held by a court of competent jurisdiction that:

(a) any part of this Deed is void, voidable, illegal or unenforceable; or

(b) this Deed would be void, voidable, illegal or unenforceable unless any part of this Deed were severed from this Deed,

that part shall be severed from and shall not affect the continued operation of the rest of this Deed.

5.2 Irrevocable Deed

This Deed is irrevocable, and must not be varied, amended or revoked by the State in respect of the Indemnified Party without the consent in writing of the Indemnified Party.
5.3 Waiver

Any failure by a party to insist on strict performance of this Deed or any delay in exercising any remedy or right under this Deed does not constitute, or is not deemed to be, a waiver or variation of any rights.

5.4 Costs

The State must pay the costs of and incidental to the costs of preparation and execution of this Deed.

5.5 Stamp Duty

The State is responsible for the stamping of this Deed and must pay any and all stamp duty assessed and payable on it.

5.6 Governing Law

This Deed will be governed by and construed in accordance with the laws of Queensland.

EXECUTED as a Deed Poll at Brisbane on the day of 2012

SIGNED, SEALED AND DELIVERED by Helen Glue, Under Treasurer, for and on behalf of the STATE OF QUEENSLAND in the presence of: [Signature of Helen Glue] [Signature of Witness]
BRIEFING NOTE

FROM | Queensland Treasury and Trade
FOR | Treasurer and Minister for Trade
SUBJECT | 2012-13 Letters of Comfort to the South East Queensland Bulk Water Entities
Contact Officer: Bethany Hanna, Economic and Structural Policy, 3035 1496
Requested by: NIA
Date Approval Required By: 19/08/2012

PURPOSE

1. The purpose of this briefing note is to seek your signature on the attached letters to Seqwater, LinkWater and the SEQ Water Grid Manager (WGM) confirming the Government’s commitment to their ongoing financial viability and the continued availability of necessary debt funding.

BACKGROUND

2. In late 2008, the then responsible Ministers wrote to Seqwater, LinkWater and the former WaterSecure regarding their proposed capital structures. As well as giving preliminary estimates of the equity that the Government would provide, the letters confirmed the Government’s commitment to ensuring they remained solvent at all times. Correspondence was also sent to the WGM confirming debt funding would continue to be made available to fund operating deficits arising from the bulk water price path.

3. In 2009, the Queensland Audit Office (QAO) advised that further letters would be required to provide comfort with respect to the Government’s continuing commitment to the entities’ financial viability. In each subsequent year, the Treasurer has provided such letters of comfort for the benefit of the entities and the QAO.

4. As the Treasurer, you have responsibility for approving and guaranteeing the entities’ borrowings, including under the Statutory Bodies Financial Arrangements Act 1982. As such, it is considered appropriate for you to provide the letters of comfort to the entities.

ISSUES

Arrangements for 2012-13

5. The attached letters to the entities are substantively the same as in previous years. However, they acknowledge the Government’s decision to merge the entities in 2012-13 and confirm that the Government will continue its commitment to their ongoing financial viability in the interim.

6. The letter to the WGM also addresses the specific matter of debt funding required as a consequence of the 10-year bulk water price path. This is designed in part to meet prudential requirements under the SEQ Water Market Rules, which requires the WGM to provide written support for the WGM’s financial commitments under the Market Rules and the Grid Contracts from the State of Queensland.
8. To this end, the letter to the WGM confirms that the availability of debt financing includes funding to support its financial commitments under the Market Rules and the Grid Contracts.

Longer term arrangements

9. During 2012-13, and as part of the merger of the bulk water entities, a substantial review of the capital structure and bulk water pricing will be undertaken. This will include consideration of:
   - future operating and capital expenditure of the new bulk water entity;
   - reviewing the operation of the Gold Coast Desalination Plant (GCDP) and Western Corridor Recycled Water Scheme (WCRWS) and options for managing the debt associated with these assets; and
   - a comprehensive review of bulk water prices.

10. These factors will have a bearing on the future need for a letter of comfort for the merged bulk water entity.

RECOMMENDATION

11. That you sign the attached letters to the entities confirming the Government’s commitment to their ongoing financial viability and the continued availability of necessary debt financing.

Helen Gilder
Under Treasurer  Date / /

☐ Approved  ☐ Not approved  ☐ Noted
Treasurer and Minister for Trade  Comments

Tim Nicholls
Treasurer and Minister for Trade  Date  / /
TRY-01099

Mr Phil Hennessy
Chairman
Queensland Bulk Water Supply Authority (Seqwater)
PO Box 16146
CITY EAST QLD 4002

Dear Mr Hennessy

As you are aware, the previous Treasurer wrote to Seqwater on several occasions reaffirming the Government’s continuing commitment to Seqwater’s financial viability and solvency.

As you know, this Government has decided to merge the south east Queensland bulk water entities in 2012-13. I acknowledge that future financial arrangements for the amalgamated entity may differ from those currently in place.

However, until such time as Seqwater’s business is transferred into the new merged water authority, the Government remains strongly committed to ensuring that Seqwater remains solvent and able to deliver essential services in a sustainable and cost-effective manner. As you will be aware, the transfer of assets, liabilities and employees and the ultimate wind-up of Seqwater are not expected to be finalised before 30 June 2013.

This Government recognises that the significant expenditure on Water Grid infrastructure will be recovered over a timeframe consistent with the long economic lives of the assets. It also acknowledges that, under the status quo institutional arrangements, key regulatory pricing parameters and policy decisions result in operating losses for Seqwater in the medium term.

The Government’s support includes facilitating access to funding facilities through the Queensland Treasury Corporation to ensure the availability of working capital and debt funding necessary to meet your business requirements. As you would be aware, Seqwater’s borrowings obtain the benefit of a State Government guarantee under the Statutory Bodies Financial Arrangements Act 1982.
Combined with the low regulatory risk to Seqwater under the current Grid Service Charge arrangements, the availability of necessary debt funding means Seqwater will remain financially viable and solvent at all times, irrespective of its reported profitability and financial outlook.

I trust this letter clarifies the Government’s commitment to ensuring Seqwater remains financially viable and solvent at all times.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
TRY-01099

Mr Steve Roberts
Chair
Queensland Bulk Water Transport Authority (LinkWater)
PO Box 1045
SPRING HILL  QLD  4004

Dear Mr Roberts

As you are aware, the previous Treasurer wrote to LinkWater on several occasions reaffirming the Government’s continuing commitment to LinkWater’s financial viability and solvency.

As you know, this Government has decided to merge the south east Queensland bulk water entities in 2012-13. I acknowledge that future financial arrangements for the amalgamated entity may differ from those currently in place.

However, until such time as LinkWater’s business is transferred into the new merged water authority, the Government remains strongly committed to ensuring that LinkWater remains solvent and able to deliver essential services in a sustainable and cost-effective manner. As you will be aware, the transfer of assets, liabilities and employees and the ultimate wind-up of LinkWater are not expected to be finalised before 30 June 2013.

This Government recognises that the significant investment in Water Grid infrastructure will be recovered over a timeframe consistent with the long economic lives of the assets. It also acknowledges that, under the status quo financial arrangements, key regulatory pricing parameters and policy decisions result in operating losses for LinkWater in the medium term.

The Government’s support includes facilitating access to funding facilities through the Queensland Treasury Corporation to ensure the availability of working capital and debt funding necessary to meet your business requirements. As you would be aware, LinkWater’s borrowings obtain the benefit of a State Government guarantee under the Statutory Bodies Financial Arrangements Act 1982.
Combined with the low regulatory risk to LinkWater under the Grid Service Charge arrangements, the availability of necessary debt funding means LinkWater will remain financially viable and solvent at all times, irrespective of its reported profitability and financial outlook.

I trust this letter clarifies the Government’s commitment to ensuring LinkWater remains financially viable and solvent at all times.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
TRY-01099

Mr Gary Humphrys
Chair
SEQ Water Grid Manager
PO Box 16205
CITY EAST  QLD  4002

Dear Mr Humphrys

The purpose of this letter is to confirm the Government's commitment to ensuring the SEQ Water Grid Manager (WGM) continues to have access to the financing necessary to continue its operations under the current bulk water pricing model.

The Government acknowledges that these funding arrangements rely on the WGM retaining access to debt funding to remain solvent, particularly during the initial 10-year bulk water price path period. In endorsing this arrangement, the Government is signalling its commitment to providing the necessary support to ensure the requisite debt funding continues to be available to the WGM.

Be assured the Government is committed to ensuring the WGM retains access to debt financing necessary for:

- the viability of the current bulk water pricing arrangements, which will be reviewed during 2012-13; and

- supporting its financial commitments under the SEQ Water Market Rules and the Grid Contracts between the WGM and the Grid Service Providers and Distributor-Retailers/councils.

In addition, I confirm the Government's commitment extends to ensuring the WGM has access to funding necessary to meet any financial commitments and obligations incurred as a result of the pricing structure, including any variations to funding requirements arising as a result of any future price path reviews. This also includes interest and other costs capitalised over the 10-year price path.
Finally, I note the Government’s decision to merge the south east Queensland bulk water entities in 2012-13 and acknowledge the financial arrangements for the amalgamated entity may differ from those currently in place. However, until such time as the new entity is established, I can assure you that the Government remains committed to ensuring that the WGM continues to have access to any necessary debt funding.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
# BRIEFING NOTE

<table>
<thead>
<tr>
<th>FROM</th>
<th>Treasury and Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOR</td>
<td>Treasurer and Minister for Trade</td>
</tr>
<tr>
<td>SUBJECT</td>
<td>Letters regarding Queensland Competition Authority Board appointments</td>
</tr>
<tr>
<td>Contact Officer</td>
<td>Daniel Walmsley, Microeconomic and Structural Reform, (07) 3035 1497</td>
</tr>
<tr>
<td>Record No.</td>
<td>TRY-02493</td>
</tr>
<tr>
<td>Date</td>
<td>10/12/2012</td>
</tr>
<tr>
<td>Requested by</td>
<td>N/A</td>
</tr>
<tr>
<td>Date Approval Required By</td>
<td>/ /</td>
</tr>
</tbody>
</table>

**PURPOSE**

1. The purpose of this submission is to seek your signature on letters in respect of changes to the Queensland Competition Authority (QCA) Board.

**ISSUES**

2. The appointment of a Chairperson, Deputy Chairperson and Member to the QCA Board was approved on 6 December 2012. Dr Malcolm Roberts was appointed as full-time Chairperson of the QCA for a three year term commencing on 29 January 2013. The letter to Dr Roberts also outlines expectations of the new role of the QCA Chairman as a full-time role and has been prepared in consultation with Dr Roberts.

3. Dr David Watson and Professor Justin Malbon were re-appointed to the board for an interim term until 8 April 2013.

4. Letters are also provided for Professor Parmenter and Mr Christensen thanking them for their service on the QCA Board. A letter to each person is attached for your consideration.

**RECOMMENDATION**

5. That you sign the attached letters.

Helen Glier  
Under Treasurer  
Date / /  

- [ ] Approved  
- [ ] Not approved  
- [ ] Noted

**Treasurer and Minister for Trade**

**Comments**

Tim Nicholls  
Treasurer and Minister for Trade  
/ /  

<table>
<thead>
<tr>
<th>Name</th>
<th><em>Action Officer/Author:</em></th>
<th>Director: (signature)</th>
<th>ED/AUT: (initials)</th>
<th>CUT: (initials)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daniel Walmsley</td>
<td>Tania Homan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSR</td>
<td>(07) 3035 1487</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(07) 3035 1936</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* This officer may be required to provide further detailed information regarding the issue.
TRY-02493

Dr David J H Watson
Chairperson
Queensland Competition Authority

Dear Dr Watson

I am pleased to advise the Governor in Council has approved your re-appointment to the Board of the Queensland Competition Authority (QCA) with the following terms and conditions:

I would like to take this opportunity to thank you for the continuing contribution you have made to the QCA.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
Dear Professor Parmenter

I am writing to formally thank you for your service to the State over the seven years as a member and then Chairperson of the Queensland Competition Authority (the Authority).

I know that this period has been a demanding and contentious time in economic regulation; and the Government recognises the quality of your leadership of the Authority over that time.

You remain in highly respected standing with this Government and I encourage you to seek further opportunities for service should they present themselves.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
TRY-02493

Mr Mark Christensen

Dear Mr Christensen

I am writing to formally thank you for your service to the State over the past seven years as a member and then Deputy Chairperson on the Board of the Queensland Competition Authority (the Authority).

The Authority has an important role in regulating key Queensland industries and I recognise the demanding and complex matters that a member of the Authority must deal with.

Thank you for your service and I wish you all the best for your future.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
TRY-02493

Professor Justin Malbon
Member
Queensland Competition Authority

Dear Professor Malbon

I am pleased to advise the Governor-in-Council has approved your re-appointment as a member of the Queensland Competition Authority (the Authority) with the following terms and conditions:

I would like to take this opportunity to thank you for the continuing contribution you have made to the Authority.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
Dear Dr Roberts

I am pleased to advise that the Governor-in-Council has approved your appointment as the Chairman of the Queensland Competition Authority (QCA) for three years commencing 28 January 2012.

Please find attached for your records a copy of the Executive Council Minute which includes the terms and conditions of your appointment.

As you know, the Government has decided to change the structure of the QCA Board to one full-time Chairman and two part-time members (including a Deputy Chairman) instead of a part-time Chairman and four part-time members that has been in place since 1997. The changed board arrangement will bring the level of resources dedicated to this function more into line with the board arrangements in other Australian states.

The QCA has had a history of independence in economic regulation which is respected and valued by the Government. In this context, your appointment as a full-time Chairman is intended to: increase the influence of the Chairman and Board over the QCA’s strategic direction; improve the timeliness of the QCA’s decision making; and be more responsive to the changing nature of regulated entities in the State, particularly given the increasing prevalence of regulated private sector entities.

The change in structure will obviously impact on the working relationship between the Chair, the board and the internal management of the QCA. You should be careful to maintain focus on strategic and communication issues rather than detailed intervention in operational management. However, as a full time Chair it will be reasonable for you to be involved in high level operational activities such as budgeting, organisational structure and senior staff appointments.
The Government would like to have the QCA recognised as being on the leading edge of regulatory research and practice. An area of special emphasis should be consideration of economic regulation issues and practices that impact on the development of Queensland’s resources industries. This should be an area of economic regulation in which, given its significance to the economy, Queensland is a world leader.

The Government has also recently added the function of the Office of Best Practice Regulation (OBPR) to the QCA’s responsibilities – with the Government committed to reducing the regulatory burden in the State. The QCA has a key role to play in adding more rigour in the development of regulatory proposals and assessment of their potential net economic impacts on Queensland. This role must also be discharged proportionately; the purpose is not to replace one set of regulatory burdens with another, i.e. an overly lengthy and prescriptive review process that is disproportionate to the importance of the matter.

Your appointment as a full time Chairman will provide more scope for the Chairman to be involved in stakeholder consultations and to be a public spokesperson for the QCA including on matters related to cost of living. This increased communication role is a key element of the rationale of having a full time Chairman. It should be one of your key priorities. In particular, the Government has a priority on openness and transparency and this should also be a feature of the QCA’s communications strategy.

You should also be aware of the Government’s fiscal policy. The QCA will be expected to undertake its tasks within a strict budget. As Chairman, one of your roles will be, with the Board and CEO, to periodically review the operations of the QCA to ensure that it remains a lean and efficient organisation. New activities, such as an increased regulatory research function, will in general need to be undertaken within existing resources.

You have been entrusted with considerable influence over Queensland’s economic development. I wish you every success in your new role and assure you of the Government’s confidence in your skills and ability to succeed.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

Encl.
BRIEFING NOTE

FROM  Treasury and Trade

FOR    Treasurer and Minister for Trade

SUBJECT Designation of Transfers under the SEQ Bulk Water Restructure Regulation

Contact Officer: Judi Friday, Microeconomics and Structural Reform, (07) 3035 1897
Record No: TRY-02719
Date: 10/12/2012
Requested by: N/A
Date Approval Required By: 

PURPOSE

1. The purpose of this submission is to seek your signature on the Designation Notices and letters to the chairs of the South East Queensland bulk water businesses concerning the financial treatment of asset and liability transfers made pursuant to the South East Queensland Water (Restructuring) Regulation 2011 (the Restructuring Regulation).

BACKGROUND

2. Under the Restructuring Regulation, the assets and liabilities of the WGM, LinkWater and South East Queensland Bulk Water Company Limited (SEQWBCo) are to be transferred to the Queensland Bulk Water Supply Authority (QBWSA) on 1 January 2013.

3. The Financial Reporting Requirements for Queensland Government Agencies (FRRs) and AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities (Interpretation 1038) specify the requirement for a designation to be made detailing how the transfer is to be treated from a financial perspective.

4. The FRRs and Interpretation 1038 require that a designation is made by the owners at or before the time of transfer. The designation must be made at or before time of transfer (i.e. by 31 December 2012 at the latest).

ISSUES

5. The transfers are being mandated by the State as the ultimate owner of the entities. In line with the usual approach for transfers between Government-owned entities (including machinery-of-Government changes), it is intended that the transactions will not affect the profitability of the transferor and transferee.

6. In accordance with the FRRs and Interpretation 1038, a designation is required to specify whether the transfer is to be adjusted against equity or through the Statement of Comprehensive Income, and may specify the nature or classes of equity to be adjusted.

7. While the Restructuring Regulation incorporates standard provisions specifying that the transfers are to be treated as a contribution by, or distribution to, owners (as applicable), it was agreed with the bulk water entities and the Queensland Audit Office that further detail on the adjustments would be the subject of separate designation notices.
FINANCIAL IMPLICATIONS

8. If a designation is made that the adjustment is made against equity, then the balance sheet reflects the increase or decreases in assets, liabilities and equity. Where no designation is made (i.e. default position), an adjustment is made through the Statement of Comprehensive Income (Profit and Loss) and to the assets and liabilities.

9. Any net asset adjustment via the Statement of Comprehensive Income will mean an adverse impact on the profitability of the transferor entity, while any net liability transfer will result in an adverse impact on the profitability of the transferee entity.

10. In the present case, the effect of the designation will be to avoid significant operating losses for LinkWater and QBWSA as a result of the transfers. For LinkWater, the result would be an operating loss of around $520 million in 2012-13 (i.e. equivalent to its net equity position). In the case of the QBWSA, the effect of transferring the WGM’s debt balances without a designation would be an operating expense in the order of $1.5 billion in 2012-13 (offset by around $520 million as a result of the treatment in its accounts of the LinkWater transfer).

RESULTS OF CONSULTATION

11. All of the water entities affected by the transfers have been consulted on the wording of the transfer designation. The Queensland Audit Office has also been consulted.

RECOMMENDATION

12. That you:
   - sign and date the attached Designation Notices; and
   - sign the attached letters to the Chairs of LinkWater, WGM, SEQBWCo and Seqwater designating the accounting treatment of the transfer of assets and liabilities pursuant to the South East Queensland Water (Restructuring) and Other Legislation Amendment Regulation (No 1) 2012.
Mr Phil Hennessy  
Chairman  
Queensland Bulk Water Supply Authority  
PO Box 16146  
CITY EAST QLD 4002

Dear Mr Hennessy

Pursuant to the South East Queensland Water (Restructuring) Regulation 2011 (the Regulation), the assets and liabilities of the Queensland Bulk Water Transport Authority, SEQ Water Grid Manager and the South East Queensland Bulk Water Company Limited are to be transferred to the Queensland Bulk Water Supply Authority (QBWSA) on 1 January 2013. The Regulation specifies that the transfers are to be treated as a contribution by, or distribution to, owners.

In accordance with the Financial Reporting Requirements for Queensland Government Agencies (FRRs) and AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities, I have made the attached Designation Notices which specify the detailed accounting treatment for QBWSA and the transferring water entities. I would be grateful if you would ensure that QBWSA treats these transfers in the way specified in these notices.

Should you require any further information, please do not hesitate to contact Mr Greg Tonks, Microeconomics and Structural Reform on (07) 3035 1498.

Yours sincerely

Tim Nicholls  
Treasurer and Minister for Trade

Encl.
TRY-02719

Mr Noel Faulkner
Chairman
South East Queensland Bulk Water Company Limited
Level 15, 53 Albert Street
BRISBANE  QLD  4000

Dear Mr Faulkner

Pursuant to the South East Queensland Water (Restructuring) Regulation 2011 (the Regulation), the assets and liabilities of the Queensland Bulk Water Transport Authority, the SEQ Water Grid Manager and the South East Queensland Bulk Water Company Limited (SEQBWCo) are to be transferred to the Queensland Bulk Water Supply Authority on 1 January 2013. The Regulation specifies that the transfers are to be treated as a contribution by, or distribution to, owners.

In accordance with the Financial Reporting Requirements for Queensland Government Agencies (FRRs) and AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities, I have made the attached Designation Notices which specify the detailed accounting treatment for SEQBWCo. I would be grateful if you would ensure that SEQBWCo treats these transfers in the way specified in these notices.

Should you require any further information, please do not hesitate to contact Mr Greg Tonks, Microeconomics and Structural Reform on (07) 3035 1498.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

Encl.
TRY-02719

Mr Steve Roberts  
Chairman  
Queensland Bulk Water Transport Authority  
PO Box 1045  
SPRING HILL QLD 4004

Dear Mr Roberts,

Pursuant to the *South East Queensland Water (Restructuring) Regulation 2011* (the Regulation), the assets and liabilities of the Queensland Bulk Water Transport Authority (LinkWater) are to be transferred to the Queensland Bulk Water Supply Authority on 1 January 2013. The Regulation specifies that the transfers are to be treated as a contribution or distribution to owners.

In accordance with the *Financial Reporting Requirements for Queensland Government Agencies* (FRRs) and AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*, I have made the attached Designation Notice which specifies the detailed accounting treatment for LinkWater. I would be grateful if you would ensure that LinkWater treats these transfers in the way specified in this notice.

Should you require any further information, please do not hesitate to contact Mr Greg Tonks, Microeconomics and Structural Reform on (07) 3035 1498.

Yours sincerely,

Tim Nicholls  
Treasurer and Minister for Trade

Encl.
TRY-02719

Mr Gary Humphrys
Chair
SEQ Water Grid Manager
PO Box 16205
CITY EAST QLD 4002

Dear Mr Humphrys

Pursuant to the South East Queensland Water (Restructuring) Regulation 2011 (the Regulation), the assets and liabilities of the SEQ Water Grid Manager (WGM) are to be transferred to the Queensland Bulk Water Supply Authority on 1 January 2013. The Regulation specifies that the transfers are to be treated as a contribution or distribution to owners.

In accordance with the Financial Reporting Requirements for Queensland Government Agencies (FRRs) and AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities, I have made the attached Designation Notice which specifies the detailed accounting treatment for WGM. I would be grateful if you would ensure that WGM treats these transfers in the way specified in this designation notice.

Should you require any further information, please do not hesitate to contact Mr Greg Tonks, Microeconomics and Structural Reform on (07) 3035 1498.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

Encl.
DESIGNATION NOTICE

The *South East Queensland Water (Restructuring) Regulation 2011* (the Regulation) will effect the transfer of assets, liabilities and instruments from the SEQ Water Grid Manager (the Transferor) to the Queensland Bulk Water Supply Authority (the Transferee).

Pursuant to section 44(1)(a) of the Regulation, the transfer of assets, liabilities and instruments and other things done under the regulation are to be accounted for in accordance with the *Financial Reporting Requirements for Queensland Government Agencies - APG 9 Accounting for Contributions by Owners and Distributions to Owners and AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

- a ‘contribution by owners’ by the Transferor to be allocated against the accumulated deficit;
  
  and

- a ‘distribution to owners’ by the Transferee to be allocated against contributed equity in the first instance and thereafter against retained earnings

Approved by:

Tim Nicholls  
Treasurer and Minister for Trade

Date: December 2012
DESIGNATION NOTICE

The *South East Queensland Water (Restructuring) Regulation 2011* (the Regulation) will effect the transfer of assets, liabilities and instruments from the South East Queensland Bulk Water Company Limited (the Transferor) to the Queensland Bulk Water Supply Authority (QBWSA) (the Transferee).

Pursuant to section 44(1)(a) of the Regulation, the transfer of assets, liabilities and instruments and other things done under the regulation are to be accounted for in accordance with the *Financial Reporting Requirements for Queensland Government Agencies* - APG 9 *Accounting for Contributions by Owners and Distributions to Owners* and AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

The net liability transfer is to be:

- a ‘contribution by owners’ by the Transferor to be allocated against the accumulated deficit;
  
  and

- a ‘distribution to owners’ by the Transferee to be allocated against retained earnings

Approved by:

Tim Nicholls  
Treasurer and Minister for Trade

Date: December 2012
DESIGNATION NOTICE

The South East Queensland Water (Restructuring) Regulation 2011 (the Regulation) will effect the transfer of assets, liabilities and instruments from the Queensland Bulk Water Transport Authority (the Transferor) to the Queensland Bulk Water Supply Authority (the Transferee).

Pursuant to section 44(1)(a) of the Regulation, the transfer of assets, liabilities and instruments and other things done under the regulation are to be accounted for in accordance with the Financial Reporting Requirements for Queensland Government Agencies - APG 9 Accounting for Contributions by Owners and Distributions to Owners and AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

The net asset transfer is to be:

- a ‘distribution to owners’ by the Transferor; and
- a ‘contribution by owners’ by the Transferee which are to be adjusted against equity.

The components of equity against which the distribution is to be allocated (to the extent available) by the Transferor are as follows:

1. contributed equity
2. retained earnings.

The Transferee is to adjust the balance against its contributed equity.

Approved by:

Tim Nicholls
Treasurer and Minister for Trade

Date: December 2012
BRIEFING NOTE

FROM
Treasury and Trade

FOR
Treasurer and Minister for Trade

SUBJECT

Contact Officer: Tania Homan, MSR, 3035 1487  
Record No.: TRY-03122  
Date: 19/03/13

Requested by: Treasurer and Minister for Trade  
Date Approval Required By: / /

PURPOSE

1. This submission seeks your approval of a QTT submission to the PC on the NAR – the submission has been revised in line with your comments of 11 March 2013.

BACKGROUND

2. You asked that the draft QTT submission (TRY-03122) be revised to: discuss all the declaration criteria; explain why the private profitability test should not apply given its support by the High Court; and take into account a set of attached detailed comments.

3. New text or revised text is in bold. A clean copy is also provided. Also attached is a document outlining the changes made to the submission in response to the set of detailed comments.

RECOMMENDATION

That you:

- Approve the Queensland Treasury and Trade submission to the Productivity Commission Inquiry into the National Access Regime.

Helen Gluer  
Under Treasurer  
Date: / /

[Approval Grid]

☐ Approved  ☐ Not approved  ☐ Noted
Treasurer and Minister for Trade  
Comments

Tim Nicholls  
Treasurer and Minister for Trade  
Date: / /

*Action Officer/Author: Michael Martinadle  
Director: Tania Homan  
ED/AUT: Gary Ward
Branch/Division: MSR  
Telephone: 3035 1491 3035 1487
Date: 19/03/13

* This officer may be required to provide further detailed information regarding the issue

RTI Document No.215
ATTACHMENT 1

CHANGES TO SUBMISSION IN RESPONSE TO ADVISOR COMMENTS

1. In terms of the criteria, no reason is given for only discussing criterion (b), when there are also substantive issues with criterion (a) and with the exemptions (notably the production process exemption). What has happened to these has substantially watered down the stringency of the tests for declaration and could result in regulatory over-reach.

- See page 7 of revised QTT submission. Discussion of all the declaration criteria has been added. For criterion (a), the PC is asked to consider whether the current threshold ("promote a material increase in competition") should be revised. Criteria (c) and (e) do not raise significant issues and (d) was removed from the legislation. For criterion (f), the PC is asked to consider greater guidance on matters the decision maker must have regard to, including economic matters. The submission says the way the ‘production process’ exemption has been applied may be contributing to a slippage in the threshold for declaration.

2. In terms of criterion (b), the question is not whether one interpretation or the other is most closely akin to the textbook notion of promoting efficiency, but which interpretation is most likely to minimise the social costs of regulatory error – where error can be of the form of declaring a facility when it should not be declared or of not declaring it when it should be declared.

3. Consideration of these error costs requires some assessment of the information and other requirements of applying a proposed test. The Tribunal’s own proceedings in FMG show that it struggled greatly (as had the NCC) to apply the natural monopoly test, whereas it was reasonably easily ascertained that FMG would find it profitable to duplicate the facility.

4. The private profitability test also lines up far more closely with the Hilmer Report and its emphasis on whether the facility is a bottleneck to competition in the dependent market.

- See pages 5-6. The submission outlines the arguments in favour of the private profitability test, including recognition of the High Court’s decision; that it may be a workable test to apply in practice; and that it may reduce regulatory error.

5. The draft advances as a criticism of the private profitability interpretation the argument that a facility could meet the private profitability criterion (in other words, it would not be profitable for an access seeker to duplicate it) because the market in question was already competitive. The inference is that this means the test could lead to regulation being applied where it should not be. However, this ignores criterion (a) which (as the Tribunal explains at length in its FMG decision) would not be satisfied in that case, meaning the facility could not be declared.

- Paragraph deleted.

6. The discussion of ‘greenfield’ exemptions ignores the difficulties involved in defining greenfield projects and the importance of promoting investment in brownfields facilities.

- See page 3. New text discussing the importance of brownfield infrastructure.

7. The discussion of merits review ignores the benefits this kind of review brings in providing confidence to private investors and helping prevent regulatory error. This is obviously of greater significance when declaration is being sought in areas that are not traditionally subject to regulation (as was the case in the FMG proceedings).

- See page 8-9. Greater discussion on merits review (including its benefits).
Our Reference: TRY-03122

Ms P Scott
Presiding Commissioner
Productivity Commission
Inquiry into National Access Regime
Locked Bag 2 Collins Street East
Melbourne VIC 8003

Dear Ms Scott

A submission from Queensland Treasury and Trade upon the Inquiry’s Issues Paper is enclosed.

The contact officer is Ms Tania Homan, Director, Microeconomics and Structural Reform, (07) 3035 1487 or email tania.homan@treasury.qld.gov.au.

Yours sincerely

Helen Gluer
Under Treasurer

Encl.
Productivity Commission Inquiry: National Access Regime

QUEENSLAND TREASURY AND TRADE

MARCH 2013
BRIEFING NOTE

FROM: Treasury and Trade

FOR: Treasurer and Minister for Trade

SUBJECT: QCA Board Appointment

Contact Officer: Amy Dimos MSR 30351829  Record No: TRY-03320  Date: 12/03/2013
Requested by: Matthew Jeffries  Date Approval Required By: 15/03/2013

PURPOSE

1. The purpose of this submission is to seek your signature on a letter to the Premier proposing the appointment of David Watson to the position of Deputy Chairperson to the Queensland Competition Authority (QCA).

BACKGROUND

2. The QCA currently consists of one full-time Chairperson (Dr Malcolm Roberts), one part-time Deputy Chairperson and 2 part-time members. The terms of the Deputy Chairperson and one member expire on 8 April 2013.

3. Dr David Watson is the recommended candidate for the part-time Deputy Chairperson position and it is proposed he be appointed to this role for a three year term from 9 April 2013. Dr Watson is the current Deputy Chairperson of the QCA and was first appointed in November 2009.

4. The other part-time member whose term also expires, Professor Justin Malbon, did not apply for re-appointment. It is not proposed to appoint a replacement part-time member at this time. Sally Pitkin has advised that she will continue on in her role as part-time member.

5. Pending approval from the Premier, it is proposed the appointment be considered by Government on 2 April 2013.

RESULTS OF CONSULTATION

6. The Department of the Premier and Cabinet has been consulted.
RECOMMENDATION

7. That you sign the enclosed letter to the Premier.

Helen Gluer
Under Treasurer

Date / /

☐ Approved
Treasurer and Minister for Trade

☐ Not approved
Comments

☐ Noted

Tim Nicholls
Treasurer and Minister for Trade

/ /
TRY-03320

The Honourable Campbell Newman MP
Premier
P0 Box 15185
CITY EAST  QLD  4002

Dear Premier

The Queensland Competition Authority (QCA) currently consists of one full-time Chairperson, one part-time Deputy Chairperson and 2 part-time members. The terms of the Deputy Chairperson and one member expire on 8 April 2013.

I propose Dr Watson be recommended for re-appointment to the part-time Deputy Chairperson position for a three year term. Dr Watson was first appointed to the QCA in November 2009. He was the Chairperson from 9 December 2012 until 28 January 2013, and has been the Deputy Chairperson since 29 January 2013.

Dr David Watson satisfies the criteria to gain appointment as Deputy Chairperson and I am confident in his capabilities in this role. The appropriate suitability checks have been carried out including consultation with the Chairman of the QCA, Dr Malcolm Roberts.

The other part-time member whose term also expires, Professor Justin Malbon, did not apply for re-appointment. It is not proposed to appoint a replacement part-time member at this time.

Please find attached a copy of the curriculum vitae for Dr David Watson.

With your agreement, I propose to take a submission to Cabinet on 2 April 2013 to seek approval to Dr Watson’s appointment.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

Encl.
BRIEFING NOTE

FROM  | Treasury and Trade
FOR   | Treasurer and Minister for Trade

| Contact Officer: Katrina Martin, Director, RRB 3035 1830 | Record No: TRY-00988 | Date: 9 July 2012 |
| Requested by: N/a | Date Approval Required By: 12 July 2012 |

PURPOSE

1. The purpose of this submission is to seek your approval to release for public consultation the *Occupational Licensing National Law Amendment Bill 2012* (the Bill) and Consultation Regulatory Impact Statements (RIS) for Plumbing and Gasfitting, Refrigeration and Air-Conditioning (RACM), and Property Occupations.

BACKGROUND

2. The Department of the Premier and Cabinet (DPC) is briefing the Premier simultaneously, seeking his approval for the release of these RISs and the Bill. The Premier will undertake the necessary consultation with relevant Ministers.

3. On 17 June 2012, you approved the public release of the Electrical Occupations RIS (Attachment 1). The Premier approved its release on 27 June 2012. DPC is unable to confirm if the Premier or his office consulted with the Attorney-General, who is the Minister responsible for the Electrical Safety Office.

4. The three occupational RISs range from 180 to 265 pages in length and the Bill with associated regulations is 172 pages in length. They are not attached to this brief, however they can be provided upon request.

ISSUES

The Consultation and Public Release Process

6. The Council of Australian Governments (COAG) National Occupational Licensing System (NOLS Taskforce) has provided final RISs for each occupational area for approval for public release.

7. All jurisdictions agreed for the RISs not to be released until the supporting communication strategy has been agreed by the Steering Committee. The communication strategy, and communication materials for the electrical occupation, is expected to be finalised and agreed this week. Communication materials for the remaining occupations are expected to be finalised shortly.
8. The final RISs are undergoing review by:
   - external professional proof readers (for typographical and grammatical errors); and
   - survey design consultants to ensure the consultation questions are appropriate and will generate targeted feedback on the preferred option and design of the NOLS.

9. No substantive revisions to the documents are expected as a result of these reviews. Queensland Treasury and Trade (Treasury) and DPC are being consulted on the list of questions and will ensure Queensland specific issues are included.

10. Relevant occupational regulators, including Queensland Building Services Authority and the Plumbing Industry Council (within the Department of Housing and Public Works), the Petroleum and Gas Inspectorate (within the Department Natural Resources and Mines), and the Office of Fair Trading (within the Department of Justice and Attorney-General) have been provided draft versions of the Bill and RISs for review and comment.

11. Queensland specific issues have been explicitly addressed in the respective RISs, or will be the subject of specific consultation questions. Queensland regulator concerns will be further addressed in the Queensland Government’s response to the RISs, which will be submitted to Cabinet for endorsement.

12. Stakeholder feedback on each Occupational RIS will inform finalisation of the legislative package and Decision RIS which will be provided to the Standing Council for Federal Financial Relations for approval in late 2012.

**The Plumbing and Gasfitting Occupations RIS**

13. In addition to the 'status quo' and 'Automatic Mutual Recognition' consultation options, the RIS presents a number of alternative National Licensing options for consultation:
   - Three Tier, Sub Option 1 (preferred): A Licensing model recommended by the Plumbing and Gasfitting Interim (Industry) Advisory Committee (IAC). Queensland regulators were members of the IAC and supporting Regulator Working Group;
   - Three Tier, Sub Option 2: A Licensing model consistent with the IAC proposal, with alternative (reduced) qualification requirements; and
   - Two Tier Option: An alternative model put forward by the Taskforce and the majority of Steering Committee members, which represents the lowest licence qualification requirements by proposing the removal of both advanced technical training and the (currently) mandatory supervised licence class.

14. Queensland regulators, the IAC and Regulator Working Group were unanimously critical of the Two Tier option on the basis that the proposed minimum training requirements were inadequate for licensing and would result in adverse health, safety and consumer outcomes. Queensland has successfully argued for the final RIS to clearly present the IAC endorsed option (Three Tier, Sub-Option 1) as the preferred (recommended) National Licensing option. This outcome is supported by Queensland regulators.

**The RACM Occupations RIS**

15. The RACM RIS also presents a number of alternative National Licensing options for consultation. One option would result in the removal of contractor licensing in Queensland, while the other would result in the introduction of ‘worker’ licensing. Queensland Treasury has successfully negotiated the inclusion of an alternative option in the RIS which is based on Queensland’s current licensing regime. This option is supported by Queensland regulators.
16. Queensland is the only jurisdiction to licence the handling of non-ozone depleting gasses, specifically (flammable) hydrocarbon refrigerants. At the request of the Queensland Petroleum and Gas regulator, Queensland has negotiated for the RIS to address the need for national licensing of such gasses.

**The Property Occupations RIS**

17. The Queensland property regulator has not raised any significant concerns with the draft RIS. However, the proposed national licence qualification requirements (which are in line with current Queensland requirements) represent a reduction in training standards in some jurisdictions. The Real Estate Institutes in these jurisdictions have already raised concerns with the proposed arrangements.

**RECOMMENDATION**

18. That you approve the public release of the NOLS Bill and Consultation RISs for the Plumbing and Gasfitting, RACM and Property Occupations, subject to finalisation of the communication strategy.

---

Helen Gluer  
Under Treasurer  Date / /

☐ Approved  
Treasurer and Minister for Trade  ☐ Not approved  Comments  ☐ Noted

Tim Nicholls  
Treasurer and Minister for Trade  / /
CONSULTATION
REGULATION IMPACT STATEMENT

Proposal for national licensing
for
electrical occupations

The Council of Australian Governments’ National Licensing Steering Committee has prepared this Consultation Regulation Impact Statement, with assistance from PricewaterhouseCoopers. Its purpose is to seek comment from stakeholders and the wider public on a proposal for national licensing for electrical occupations. Submissions to this RIS are invited by COB 26 August 2012.
BRIEFING NOTE

FROM  Treasury and Trade

FOR   Treasurer and Minister for Trade

SUBJECT Inclusion of red tape reduction initiatives in the Revenue Legislation Amendment Bill

Contact Officer: Katrina Martin, Director, RRB, (07) 3035 1830  
Record No: TRY-01438  
Date: 07/08/12

Requested by: N/A  
Data Approval Required By:

PURPOSE

1. To seek your approval to include proposed amendments to three acts (identified recently by Treasury and Trade (Treasury) as red tape reduction initiatives) in the budget-related Revenue Legislation Amendment Bill (Revenue Bill).

BACKGROUND

2. On 4 May 2012, the Honourable Campbell Newman MP, Premier wrote to all Ministers requesting advice on regulation or administrative processes that Ministers intended to reduce within 90 days.

3. On 5 July 2012, you wrote to the Premier (TRY-00960) advising that the following acts and parts of acts can be repealed immediately:
   - Brisbane Markets Act 2002;
   - Family Security Friendly Society (Distribution of Moneys) Act 1991; and
   - Part 11 of the Queensland Competition Authority Act 1997 (QCA Act), with associated changes to the accompanying regulation.

4. You also advised the Premier that Treasury and Trade (Treasury) would investigate further opportunities to repeal or amend other Treasury legislation. Treasury is currently undertaking this review process.

5. Your approval was recently sought (TRY-01382) to include other amendments to the QCA Act (required to facilitate the Office of Best Practice Regulation (OBPR) effectively undertaking its functions) in the Revenue Bill in order to expedite their introduction and enactment.

ISSUES

6. The Parliamentary timetable is unlikely to facilitate repeal of the identified legislation within the 90 day timeframe initially suggested by the Premier. However, it is proposed that the repeal of these acts be included in the Revenue Bill, which is expected to be introduced into Parliament on 11 September 2012 and enacted as soon as possible thereafter.
Brisbane Markets Act 2002

7. The Brisbane Markets Act 2002 was enacted as part of the Government’s sale of the Brisbane Markets at Rocklea in order to rectify building approval deficiencies discovered during vendor due diligence. Although it is expected that many of the subject buildings still exist, it is considered that section 20A(2)(b) of the Acts Interpretation Act 1954 will preserve the validating effect of the remedy provisions despite the Brisbane Markets Act 2002 being repealed.


8. The Family Security Friendly Society was dissolved on 18 August 2000 and the Family Security Friendly Society (Distribution of Moneys) Act 1991 can be repealed. Even if any acts were in reliance of the provisions of the Family Security Friendly Society (Distribution of Moneys) Act 1991 following its repeal, the Acts Interpretation Act 1954 would validate such acts.

Part 11 of the Queensland Competition Authority Act 1997

9. Part 11 of the Queensland Competition Authority (QCA) Act contains transitional provisions for amendments made to the QCA Act in 2008. Given the length of time that has passed since the amendments were introduced, these transitional provisions are no longer necessary and can be omitted from the Act. The QCA has confirmed there are no outstanding matters which could be impacted by the repeal of this Part of the QCA Act.

10. As the QCA Act is jointly administered by you and the Honourable Jarrod Bleijie MP, Attorney-General and Minister for Justice (Minister Bleijie), subject to your approval, Treasury will prepare a brief for Minister Bleijie, seeking his endorsement of the proposed amendments to the QCA Act, including those previously outlined in TRY-01382, and advising of the intent to include the amendments in the Revenue Bill.

11. Treasury will also prepare an Executive Council Minute for your and Minister Bleijie’s consideration to update/remove provisions of the Queensland Competition Authority Regulation 2007 which are no longer current.
RECOMMENDATION

12. That you:

- approve the inclusion of the proposed repeal of the Brisbane Markets Act 2002, Family Security Friendly Society (Distribution of Moneys) Act 1991 and Part 11 of the Queensland Competition Authority Act 1997 (the QCA Act) in the Revenue Bill; and

- note that, subject to your approval, Treasury will prepare a brief for Minister Bleijie seeking his endorsement of the proposed amendments to the QCA Act and advising of the intention to include them in the Revenue Bill.

Helen Gluer
Under Treasurer

☐ Approved
Treasurer and Minister for Trade

☐ Not approved
Comments

☐ Noted

Tim Nicholls
Treasurer and Minister for Trade

Date / /
BRIEFING NOTE

FROM | Treasury and Trade
---|---
FOR | Treasurer and Minister for Trade
Contact Officer: Katrina Martin, RRB, 303 51830 | Record No: TRY-01520 | Date: 14 August 2012
Requested by: N/A | Date Approval Required By: 17 August 2012

PURPOSE

1. The purpose of this submission is to seek your:
   - Approval to submit Queensland’s completed 2011-12 Reporting Template (the Report) on commitments under the National Partnership Agreement to Deliver a Seamless National Economy (the NPA) to the Council of Australian Governments (COAG) Reform Council (CRC) by 17 August, 2012 (Attachment A); and
   - Signature on the attached letters to Mr Paul McClintock AO, Chairman of the CRC, submitting the Report and to the Honourable Campbell Newman MP, Premier, providing him with a copy of the Report.

BACKGROUND

2. Under the NPA, each jurisdiction is required to provide a detailed report to the CRC on its progress against the key reform milestones each financial year. The 2011-12 Report covers the remaining reform streams within the NPA (12 deregulation priorities, 6 competition reforms and the regulatory reform initiative) and the reform of the legal profession.

3. This is the second last report to be submitted to the CRC, given the NPA is scheduled to end in December 2012. The final report will be submitted following the 2012-13 financial year.

4. The CRC’s assessment of jurisdictional performance, based on this Report, will inform the Commonwealth Government’s allocation of reward payments this financial year, with maximum reward payments available to Queensland of $51 million.

ISSUES

5. Queensland’s Report is due to the CRC by 17 August 2012. The Report covers the status of outstanding reforms as at 30 June 2012 and whether milestones due to be completed in 2011-12 have been met. The Report also covers the status of 2012-13 milestones in the sense it indicates where those milestones are at risk. Below is a brief summary of Queensland’s progress.

6. The CRC will provide a draft of its assessment of jurisdictional performance to jurisdictions for comment, providing a further opportunity for Queensland to contribute to the 2011-12 CRC Report.
7. In June 2012, in a letter to the Honourable Campbell Newman MP, Premier (Premier) advising of Queensland's reward payment for 2011-12, the Honourable Julia Gillard MP, Prime Minister (Prime Minister) noted that the Commonwealth government is proposing to weight allocation of 2012-13 reward payments to encourage completion of high priority reforms including National Occupational Health and Safety laws (OH&S) and the National Occupational Licensing System (NOLS).

8. The Prime Minister also noted that she will write to the Premier setting out the method by which payments will be weighted. Although the Premier has responded to say that Queensland considers it is COAG's decision as to any weightings to be applied, it is in fact the Commonwealth's decision.

The Deregulation Priorities (subject to reward payments)

2011-12 Reform Milestones

9. As at June 2012, Queensland had implemented the majority of 2011-12 milestones related to the 12 remaining deregulation reforms within the allotted timeframes. This included completion of all final milestones related to the Occupational Health and Safety, National Construction Code, Business Names and Personal Property Securities reforms.

10. There are no delays unique to Queensland in relation to the specific 2011-12 reform milestones.

2012-13 Reform Milestones at Risk

11. Under the NPA timelines, the deregulation reforms are due to be completed by no later than the end of 2012. However, in some reform areas, Queensland agencies anticipate that it will be difficult to meet the December 2012 deadline. The key risks are:

- NOLS – legislation must be agreed by December 2012. Public consultation on the national RIS and draft legislation is expected to end mid-October 2012, making the December timeline exceedingly difficult. Queensland is yet to decide whether to proceed with NOLS. The Government has determined to evaluate its position after consultation on the RISs is completed;

- E-Conveyancing - passage of national legislation by September 2012 will depend on the support of all participating jurisdictions and Queensland is yet to decide whether it supports the legislation and the reform, making it difficult for jurisdictions to meet this timeline;

- Mine Safety - legislation will not be in place in Queensland by 31 December 2012 due to the time needed for Queensland’s regulatory assessment process and delays in finalising the harmonised provisions;

- Director's Liability - jurisdictions are required to introduce legislation by December 2012. Queensland had been on track to meet this timeline. However, despite the Premier’s endorsement of this reform, an Authority to Prepare an omnibus bill to amend Queensland’s legislation has been deferred by the Honourable Jarrod Bleijie MP, Attorney-General and Minister for Justice, from the Cabinet meeting of 13 August to mid October. It has not been possible to ascertain the Attorney-General’s reason for the deferral;
- 3 -

- Maritime Safety - a proposal by the Honourable Scott Emerson MP, Minister for Transport and Main Roads, to refer the maritime safety reforms to the Office of Best Practice Regulation (OBPR) would mean Queensland is unable to meet the December 2012 deadline; and

- Consumer Credit - delays in the Commonwealth providing draft legislation are impacting all jurisdictions' timeframes.

12. Queensland's parliamentary committee process will also affect Queensland's ability to meet the December 2012 deadline in relation to these reforms.

13. These delays pose a significant risk to Queensland receiving its full 2012-13 reward payment.

**Competition Reforms (not subject to reward payments)**

14. There are some delayed 2011-12 milestones relating to the National Transport Reforms. These relate to the introduction of the Heavy Vehicle National Law (delayed due to Queensland's March 2012 election) and finalisation of a consultation RIS for feasibility of road pricing options (the preceding feasibility study is still under COAG out-of-session consideration).

15. The Queensland Government has commenced a review of the energy sector as part of its commitment to address rising electricity costs. Recommendations from the review will be delivered by January 2013. Queensland's Report notes that this review may impact upon some energy sector reforms, including smart meter trials and the Australian Energy Market Commission's review of the effectiveness of competition in Queensland's electricity market.

**Other Reforms outside of the NPA (not subject to reward payments)**

16. Queensland has progressed all relevant milestones in the Regulation Making and Review reform. There are national-level delays in the Legal Profession reform, though Queensland has not yet confirmed its support of the reform.

17. The reporting template includes two not-for-profit reforms (Standard Chart of Accounts for the Not-for profit Sector and Fundraising Regulation). Responsibility for these reforms transferred to the COAG Standing Council on Federal Financial Relations and, therefore, reporting on the milestones under the Seamless National Economy Report is no longer required.

**FINANCIAL IMPLICATIONS**

18. The CRC's assessment of jurisdictional performance will inform the Commonwealth's allocation of reward payments this financial year, with the maximum reward payment available to Queensland being $51 million. The NPA provides that any reward payments that are not allocated by the Commonwealth in a particular year because of underperformance in one or more jurisdictions will be retained and made available in the subsequent year, subject to performance.

19. While potential delays in 2012-13 milestones will not be officially assessed by the CRC until after 2012-13, there is a risk that the Commonwealth will factor in these delays when deciding on its allocation of reward payments in 2012-13.

20. Therefore, given that the Government has allocated expenditure in its 2012-13 Budget based on receiving the full $51 million in 2012-13, any reduction in the reward payments received in 2012-13 would impact on the State's financial position.
RESULTS OF CONSULTATION

21. Queensland Treasury and Trade consulted at the senior officer level with all relevant agencies and sought Directors-General endorsement of the draft reporting template. Endorsement, or delegated endorsement, has been received from all relevant agencies.

RECOMMENDATION

22. That you:

- approve the submission of Queensland's completed 2011-12 Report on commitments under the NPA to Deliver a Seamless National Economy to the CRC (Attachment A); and

- sign the attached letters to the Chairman of the CRC, submitting the Report, and to the Premier, providing him with a copy of the Report and advising of the potential risks to Queensland's 2012-13 reward payments.

Helen Gluer
Under Treasurer  Date / /  

☐ Approved Treasurer and Minister for Trade  ☐ Not approved Comments  ☐ Noted

Tim Nicholls
Treasurer and Minister for Trade  / / 

<table>
<thead>
<tr>
<th>Name:</th>
<th>Action Officer/Author:</th>
<th>Director:</th>
<th>ED/AUT:</th>
<th>OUT:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Patrick Wilde</td>
<td>Katrina Martin</td>
<td></td>
<td>Gary Ward</td>
</tr>
<tr>
<td>Branch/Division:</td>
<td>RRB</td>
<td>RRB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone:</td>
<td>303 51489</td>
<td>303 51830</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td>/</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
</tbody>
</table>

* This officer may be required to provide additional information regarding the issue
TRY-01520

The Honourable Campbell Newman MP
Premier
PO Box 15185
CITY EAST QLD 4002

Dear Premier

I am writing in regard to the Council of Australian Governments (COAG) Reform Council’s (CRC) 2011-12 Progress Report on commitments under the National Partnership Agreement (NPA) to Deliver a Seamless National Economy.

I attach, for your information, a copy of the report submitted by Queensland to the CRC, setting out Queensland’s progress in meeting reform milestones. The report covers the status of Queensland’s progress as at 30 June 2012, including whether milestones due to be completed in 2011-12 have been met. The Report also covers the status of future milestones (to be met in 2012-13) in the sense that it indicates where those milestones are at risk.

The CRC’s assessment of jurisdictional performance, based on this report, will inform the Commonwealth Government’s allocation of reward payments this financial year under the Seamless National Economy NPA. Maximum reward payments available to Queensland in 2012-13 total $51 million. This anticipated revenue has been allocated to expenditure in the State Budget.

As at June 2012, Queensland had implemented the majority of 2011-12 milestones and there are no delays unique to Queensland in relation to the 2011-12 milestones.

However, there are six reforms where agencies anticipate it will be difficult to meet future milestones, in particular the December 2012 deadline for completion of the Seamless National Economy reforms. These delays pose a significant risk to Queensland receiving the full $51 million reward payment in 2012-13.
The specific reforms subject to reward payments and at risk of delay are:

- National Occupational Licensing System;
- E-Conveyancing;
- Director's Liability;
- Mine Safety;
- Maritime Safety; and
- Consumer Credit.

While delays in the 2012-13 milestones will not be officially assessed by the CRC until after 2012-13, there is a significant risk that the Commonwealth will take these delays into account when deciding on its allocation of reward payments. Given that the Government has allocated expenditure in its 2012-13 Budget based on receiving the full $51 million in 2012-13, any reduction in reward payments received would impact on the State's financial position.

Of these reforms, Maritime Safety will be the subject of a review by the Office of Best Practice Regulation and Mine Safety will be the subject of a Regulatory Impact Statement (RIS). Queensland's position on National Licensing is to be evaluated once consultation on the national RIS is completed.

The Directors' Liability reform is a significant red tape reduction reform and could be progressed immediately, with a draft submission seeking approval to make the necessary legislative amendments having been prepared. I recommend the Honourable Jarrod Bleijie MP, Attorney-General and Minister for Justice, be requested to bring forward the submission to Cabinet in early September. Similarly, the National E-Conveyancing reform should be progressed without delay. I seek your support in progressing these reforms in particular.

Should officers from your department require further information, I encourage them to contact Ms Katrina Martin, Director, Regulatory Review Branch on (07) 3035 1830 or email Katrina.martin@treasury.qld.gov.au.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

Encl.
TRY-01520

Mr Paul McClintock AO
Chairman
COAG Reform Council
GPO Box 7015
SYDNEY NSW 2001

Dear Mr McClintock,

I refer to the email from Mr Heath Baker, Director, Macroeconomic Reform and Environment on 4 June 2012 regarding the Council of Australian Governments (COAG) Reform Council Progress Report on commitments under the National Partnership Agreement to Deliver a Seamless National Economy.

I attach a copy of the Queensland Government's completed 2011-12 Reporting Template to the COAG Reform Council.

The Queensland Government looks forward to continuing its close and productive working relationship with the COAG Reform Council.

If you wish to discuss the information in the attached Queensland Reporting Template, please contact Dr Gary Ward, Acting Deputy Under Treasurer on telephone (07) 3035 1936 or email at gary.ward@treasury.qld.gov.au.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

Encl.

Queensland Report to the COAG Reform Council
## Table of contents

Table of contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>PART A: DEREGULATION PRIORITIES</td>
<td>4</td>
</tr>
<tr>
<td>1. Occupational health and safety</td>
<td>5</td>
</tr>
<tr>
<td>4. Licensing system</td>
<td>7</td>
</tr>
<tr>
<td>15. Construction code</td>
<td>11</td>
</tr>
<tr>
<td>16. Chemicals and plastics</td>
<td>13</td>
</tr>
<tr>
<td>17. Business names</td>
<td>15</td>
</tr>
<tr>
<td>18. Personal property securities</td>
<td>18</td>
</tr>
<tr>
<td>21. Mine safety</td>
<td>19</td>
</tr>
<tr>
<td>22. Electronic conveyancing</td>
<td>21</td>
</tr>
<tr>
<td>23. Oil and gas</td>
<td>24</td>
</tr>
<tr>
<td>24. Maritime safety</td>
<td>27</td>
</tr>
<tr>
<td>26. Directors' liability</td>
<td>29</td>
</tr>
<tr>
<td>27. Consumer credit</td>
<td>31</td>
</tr>
<tr>
<td>PART B: COMPETITION REFORM</td>
<td>34</td>
</tr>
<tr>
<td>29. Energy</td>
<td>34</td>
</tr>
<tr>
<td>30. National access regime</td>
<td>41</td>
</tr>
<tr>
<td>31. Infrastructure</td>
<td>42</td>
</tr>
<tr>
<td>32. Occupational licensing</td>
<td>47</td>
</tr>
<tr>
<td>33. National transport reforms</td>
<td>48</td>
</tr>
<tr>
<td>34. Road reform plan</td>
<td>53</td>
</tr>
<tr>
<td>PART C: REGULATORY REFORM</td>
<td>57</td>
</tr>
<tr>
<td>35. Regulation making and review</td>
<td>57</td>
</tr>
<tr>
<td>PART D: ADDITIONAL REGULATORY REFORMS</td>
<td>59</td>
</tr>
<tr>
<td>36. Legal profession</td>
<td>59</td>
</tr>
<tr>
<td>Regulatory reform of the legal profession</td>
<td>59</td>
</tr>
<tr>
<td>37. Not-for-profit sector</td>
<td>61</td>
</tr>
</tbody>
</table>

Regulatory reform of the not-for-profit sector: ................................................................. 61
  a. Standard Chart of Accounts (SCOA) ................................................................. 61
  b. Fundraising regulation.................................................................................. 63
PART E: ADDITIONAL COMMENTS......................................................................... 65
Appendix A: Chemicals and Plastics–early harvest reforms............................... 66
Appendix B: Chemicals and Plastics –Ministerial Council implementation plans... 68
Introduction
PART A: Deregulation Priorities

1. Occupational health and safety

Nationally uniform OH&S laws, comprising a model Act, model regulations and model codes of practice and a nationally consistent approach to compliance and enforcement policy.

Table 1.1: 2009–10 Incomplete Milestones

<table>
<thead>
<tr>
<th>2009–10 Milestone</th>
<th>Progress Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009–10 All jurisdictions: WRMC to agree model OH&amp;S Bill by September 2009</td>
<td>COMPLETED</td>
</tr>
<tr>
<td></td>
<td>On 11 December 2009, the WRMC endorsed the model <em>Work Health and Safety (WHS) Act.</em></td>
</tr>
</tbody>
</table>

Table 1.2: 2010–11 Incomplete Milestones

<table>
<thead>
<tr>
<th>2009–10 Milestone</th>
<th>Progress Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010–11 All jurisdictions: Safe Work Australia to finalise model regulations by May 2011</td>
<td>COMPLETED</td>
</tr>
<tr>
<td></td>
<td>The draft model regulations were finalised and referred to the Select Council for Workplace Relations in August 2011 for endorsement.</td>
</tr>
</tbody>
</table>

Table 1.3: 2011–12 Milestones

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011–12 All jurisdictions: enact model legislation and regulations — with the exception of model WHS regulations for Mining — and complete all related transition arrangements</td>
<td>COMPLETED</td>
</tr>
<tr>
<td></td>
<td>Queensland’s transitional arrangements are based on the nationally agreed transitional principles to ensure these are harmonised. A guide to the transitional provisions can be found at <a href="http://www.deir.qld.gov.au/workplace/resources/pdfs/transitional-provisions-act.pdf">http://www.deir.qld.gov.au/workplace/resources/pdfs/transitional-provisions-act.pdf</a></td>
</tr>
</tbody>
</table>
On 24 November 2011 the Work Health and Safety Regulation 2011 (the WHS Regulation 2011) was approved by the Queensland Governor in Council. The WHS Regulation 2011 gives effect to the national model WHS Regulation. A copy of the Queensland Regulation can be found at:


Queensland’s transitional arrangements are based on the nationally agreed transitional principles to ensure these are harmonised. A copy of the Queensland transitional arrangements can be found at:


The eleven first stage national codes of practice commenced on 1 January 2012. Three of the national codes replace existing Queensland codes of practice. In addition, 25 existing Queensland codes of practice have been preserved and remain in place from 1 January 2012 until replaced by national codes of practice. These codes were updated to make them consistent with the new legislation.

The National Compliance and Enforcement Policy was endorsed by Safe Work Australia Members on 29 July 2011 and by the Workplace Relations Ministers’ Council on 16 August 2011. Queensland has adopted and implemented the National Compliance and Enforcement Policy.

Output
Nationally uniform OH&S laws, comprising a model Act, model regulations and model codes of practice and a nationally consistent approach to compliance and enforcement policy.

Additional comments
4. Licensing system

Establish a national trade licensing system to allow licensees (in specified occupations\(^1\)) to work in all Australian jurisdictions.

**Table 4.1: 2010–11 incomplete milestones**

<table>
<thead>
<tr>
<th>2010–11 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All jurisdictions:</strong> Establish the new national licensing body by January 2011</td>
<td><strong>COMPLETED</strong> The necessary provisions in the National Law were proclaimed in Victoria and New South Wales prior to 1 January 2011 to establish the NOLA. The Prime Minister as Chair of COAG decided in August 2011 that the NOLA will be located in Sydney. NOLA has been established as a business entity, including ABN and business registration (completed on 27 March 2012), registration with the Australian Taxation Office, and submission of trademark registration.</td>
</tr>
<tr>
<td><strong>All jurisdictions:</strong> Board and CEO appointed by June 2011</td>
<td><strong>DELAYED NATIONALLY</strong> At the Ministerial Council for Federal Financial Relations (MCFFR) meeting on 7 April 2011 it was agreed to consider the recommendations for the NOLA Board Chair and Board members out of session though an exchange of letters.</td>
</tr>
</tbody>
</table>

---

\(^1\) Initially, air conditioning and refrigeration mechanics, building and building related occupations, electrical, land transport (passenger vehicle drivers and dangerous goods only), maritime, plumbing and gas fitting, and property agents.

### 2010–11 Milestone

<table>
<thead>
<tr>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board members were approved by the Standing Council on Federal Financial Relations (SCFFR) in December 2011 and were appointed on 15 December 2011.</td>
</tr>
<tr>
<td>The Board comprises the Chair (Ms Elizabeth Crouch), two regulator members (Mr David Ford from Queensland and Ms Anne Gale from South Australia) and six other members (Mr Graham Anderson, Mr Tony Arnol, Ms Miranda Douglas-Crane, Mr Albert Koenig, Ms Wendy Machin and Mr John Sutton).</td>
</tr>
<tr>
<td>The first meeting of the NOLA Board was on 7/8 February 2012 and the Board have met monthly since that time.</td>
</tr>
<tr>
<td>The NOLA Board has recommended their preferred candidate for CEO to the Standing Council for Federal Financial Relations (SCFFR) for appointment.</td>
</tr>
<tr>
<td>Letters from the Treasurer were forwarded to other members of SCFFR on 16 May 2012 and were received by most jurisdictions on or around 21 May 2012. As of 13 July 2012 the SCFFR has yet to finalise their decision on the appointment.</td>
</tr>
</tbody>
</table>

### Table 4.1: 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: MCFFR to report to COAG, through BRCWG, on reform progress by June 2012</td>
<td>COMPLETED</td>
</tr>
<tr>
<td>Please provide a copy and advise what date COAG received the report</td>
<td>The report was considered by COAG on 25 July 2012.</td>
</tr>
<tr>
<td></td>
<td>The Commonwealth Treasurer wrote to his SCFFR counterparts on the 18 June 2012 seeking agreement to the report by 25 June 2012. Queensland’s Treasurer and Minister for Trade provided his agreement on 29 June 2012.</td>
</tr>
<tr>
<td></td>
<td>The report is attached (Attachment A).</td>
</tr>
</tbody>
</table>
### 2011–12 Milestone

**Progress report**

**DELAYED NATIONALLY**

There have been delays in the drafting of the Exposure Draft of the National Law Amendment Bill, National Regulations and RISs that are to be used for public consultation. These delays have significantly reduced the time that will be available to reach inter-jurisdictional agreement on consultation outcomes and to re-draft the National Regulations. It has also been decided to include significant elements of the eligibility requirements under the scheme in the law.

Amendments to the National Laws are necessary as it was drafted prior to the development of the details of the licensing scheme and some of the concepts and terminology in the Law are inconsistent with the licensing policy.

Consultation RISs for all four first tranche occupations are scheduled for a staggered public release, commencing with the Electrical Occupations RIS released on 15 July 2012. Stakeholder feedback will inform finalisation of the legislative package and Decision RIS which will be provided to the SCFFR for approval in late 2012.

Queensland is actively participating at BRCWG and COAG National Licensing Steering Committee levels to resolve outstanding policy issues.

---

### Table 4.2: Future milestones/output

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–13 milestones</td>
<td><strong>DELAYED NATIONALLY</strong></td>
</tr>
<tr>
<td>All jurisdictions: new national licensing system to commence on 1 July 2012</td>
<td>At its meeting on 13 April 2012, COAG announced that, due to the complexity of the reform, it would commence in 2013, not 1 July 2012. A revised commencement date is being negotiated and is subject to agreement by COAG.</td>
</tr>
<tr>
<td>Milestone/output</td>
<td>Risks/mitigation strategies</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>All jurisdictions: assist new licensing body to develop and finalise licensing</td>
<td>AT RISK</td>
</tr>
<tr>
<td>eligibility criteria (including qualifications), licence discipline standards and</td>
<td>Due to the complexity of the reform and delays to date on the first tranche of the occupations, the</td>
</tr>
<tr>
<td>other licensing policy for next tranche of trades and approved through RIS and</td>
<td>Commonwealth Taskforce has taken the decision to suspend work on the second tranche in order to focus on implementation of the first tranche.</td>
</tr>
<tr>
<td>Ministerial Council processes by June 2013</td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>Queensland understands that the land transport and maritime occupations are the subject of separate COAG activity with a similar output, and that negotiations are well advanced for these occupations to be transferred out of the NOLS.</td>
</tr>
</tbody>
</table>

**Additional comments**

2 Initially, air conditioning and refrigeration mechanics, building and building related occupations, electrical, land transport (passenger vehicle drivers and dangerous goods only), maritime; plumbing and gas fitting, and property agents.
15. Construction code

Consolidating building and plumbing regulation into one national code.

Table 15.1: 2010–11 incomplete milestones

<table>
<thead>
<tr>
<th>2010–11 Milestones</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: agree Intergovernmental Agreement containing final governance arrangements for body administering NCC and detailed funding arrangements for NCC by June 2011</td>
<td>COMPLETED Jurisdictions (including Queensland) have signed the Intergovernmental Agreement.</td>
</tr>
</tbody>
</table>

Table 15.2: 2011–12 milestones

<table>
<thead>
<tr>
<th>2010–11 Milestones</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: complete legislative amendments and all related transitional arrangements by January 2012</td>
<td>COMPLETED The legislative arrangements in Queensland allowed for the adoption of the NCC. Non critical amendments to the <em>Plumbing and Drainage Act 2002</em> are scheduled to take effect from 1 November 2012.</td>
</tr>
<tr>
<td>All jurisdictions: new funding arrangements commence by January 2012</td>
<td>COMPLETED Jurisdictions (including Queensland) agreed to increase the Australian Building Codes Board funding contributions from 1 July 2011.</td>
</tr>
<tr>
<td>All jurisdictions: BMF report to COAG, through BRCWG, on reform implementation by June 2012</td>
<td>COMPLETED The report on the NCC was agreed by BRCWG in June 2012, considered by COAG SOM on 6 July 2012 and COAG on 25 July 2012.</td>
</tr>
</tbody>
</table>

Table 15.3: Future milestones/output

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–13 milestones</td>
<td>COMPLETE The NCC was adopted in Queensland from 1 May 2011. Non critical amendments to Queensland’s <em>Plumbing and Drainage Act 2002</em> are scheduled to take effect on 1 November 2012.</td>
</tr>
<tr>
<td>Milestone/output</td>
<td>Risks/mitigation strategies</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Ongoing milestones to be identified and agreed as project progresses</td>
<td></td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td></td>
</tr>
<tr>
<td>Consolidating building and plumbing regulation into one national code.</td>
<td></td>
</tr>
</tbody>
</table>

Additional comments
16. Chemicals and plastics

Improved national coordination and oversight to achieve an effective and efficient national system of chemicals and plastics regulation, while maintaining appropriate OH&S, public health and environmental protections.

Please also complete the tables at Appendix A (early harvest reforms) and Appendix B (milestones within the Ministerial Council implementation plans).

Table 16.1: 2009–10 incomplete milestone

<table>
<thead>
<tr>
<th>2009–10 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: complete remaining early harvest reforms by June 2010 – see Appendix A.</td>
<td>Commonwealth: please see Appendix A.</td>
</tr>
</tbody>
</table>

Table 16.2: 2010–11 incomplete milestones

<table>
<thead>
<tr>
<th>2010–11 milestones</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: Ministerial Councils to complete reforms in line with milestones outlined in implementation plans agreed by COAG in February 2011</td>
<td>On 19 August 2011, COAG agreed to defer this milestone.</td>
</tr>
<tr>
<td>All jurisdictions: please see Appendix B.</td>
<td></td>
</tr>
</tbody>
</table>

Table 16.3: 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: BRCWG to report to COAG by June 2012 on progress in implementing reforms</td>
<td>COMPLETED BRCWG Secretariat report in June 2012 included progress reporting on the reforms by the Standing Committee on Chemicals (SCOC). This report was considered by COAG on 25 July 2012.</td>
</tr>
<tr>
<td>All jurisdictions: Ministerial Councils to</td>
<td>IN PROGRESS The April 2012 COAG endorsed changes to the implementation plan milestones. These changes were</td>
</tr>
</tbody>
</table>

---

3 These reforms are taken from the 3 July 2008 report to COAG by the Ministerial Taskforce on Chemicals and Plastics.

<table>
<thead>
<tr>
<th>2011–12</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>complete reforms in line with milestones outlined in implementation plans agreed by COAG</td>
<td>previously agreed by BRCWG, and informed by SCOC Secretariat’s Review which was completed in November 2011.</td>
</tr>
<tr>
<td></td>
<td>With respect to the regulation of agricultural and veterinary chemical products it was agreed to defer this reform milestone to December 2012 to allow additional time for the delivery of this reform.</td>
</tr>
<tr>
<td>All jurisdictions: BRCWG to review progress of reform and report to COAG with recommended changes, by the end of 2011</td>
<td>COMPLETED The BRCWG, informed by the SCOC Secretariat’s Review of Chemicals and Plastics Regulation Reform (SCOC Review), completed in November 2011, was reported to COAG.</td>
</tr>
</tbody>
</table>

**Output**

- Improved national coordination and oversight to achieve an effective and efficient national system of chemicals and plastics regulation, while maintaining appropriate OH&S, public health and environmental protections.

**Additional comments**
17. Business names

A national system for registering business names.

Table 17.1: 2008–09 incomplete milestone

<table>
<thead>
<tr>
<th>2008-09 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: agree an IGA and/or MOU on business names registration and related online services by June 2009</td>
<td>COMPLETED The MOU for Business Online Services was agreed on 2 July 2009.</td>
</tr>
<tr>
<td>Commonwealth: Please provide a copy of the IGA and/or MOU and confirm the date it was signed.</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
</tbody>
</table>

Table 17.2: 2010–11 incomplete milestones

<table>
<thead>
<tr>
<th>2010–11 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth: release online services system by September 2010</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Commonwealth: please provide supporting documentation.</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>All jurisdictions: integrate licensing data by December 2010</td>
<td>COMPLETED On 13 February 2011, COAG asked BRCWG to provide it with a new implementation timeline for legislation development. This was agreed to by BRCWG on 28 May 2011, proposing April/May 2012 as the time the legislation comes into effect and ASIC incorporates State/Territory data into the national system. COAG agreed to amended milestones on 19 August 2011. Queensland provided its complete licensing dataset in December 2010 for integration with the interim Australian Business Licensing Information Service, hosted by Victoria.</td>
</tr>
</tbody>
</table>
### Table 17.3: 2011–12 milestones

<table>
<thead>
<tr>
<th>Commonwealth: finalise Business Names legislation by July 2011</th>
<th>COMPLETED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>States and Territories:</strong> at least one State to introduce referral of powers legislation by July 2011</td>
<td>COMPLETED: Tasmania’s referral of powers Bill was introduced on 5 July 2011. Queensland’s referral of powers Bill was introduced on 24 August 2011. New South Wales’ referral of powers Bill was introduced on 13 September 2011. Victoria’s referral of powers Bill was introduced on 25 October 2011. South Australia’s referral of powers Bill was introduced on 23 November 2011. Western Australia’s referral of powers Bill was introduced on 30 November 2011. Northern Territory’s referral of powers Bill (although Constitutionally not a referral of powers Bill, rather a request Bill) was introduced on 11 August 2011.</td>
</tr>
<tr>
<td>Commonwealth: introduce referral of powers acceptance and national Business Names legislation to Parliament by September 2011</td>
<td>NOT APPLICABLE to the Queensland response.</td>
</tr>
<tr>
<td><strong>States and Territories:</strong> at least one State to pass referral of powers legislation by September 2011</td>
<td>The first jurisdiction to pass their referral legislation was New South Wales on 14 September 2011. Queensland’s referral legislation was passed on 26 October 2011 and is available at: <a href="http://www.legislation.qld.gov.au/LEGISLTN/CURRENT/B/BusNComPA11.pdf">http://www.legislation.qld.gov.au/LEGISLTN/CURRENT/B/BusNComPA11.pdf</a></td>
</tr>
<tr>
<td>Commonwealth: enact Business Names legislation and complete all related transitional arrangements by December 2011</td>
<td>NOT APPLICABLE to the Queensland response.</td>
</tr>
<tr>
<td><strong>States and Territories:</strong> repeal/amend legislation and refer powers by March 2012</td>
<td>Queensland’s referral of power commenced on 28 October 2011. Queensland’s Business Names Act 1962 was repealed on 28 May 2012. Consequential amendments commenced on the same day.</td>
</tr>
<tr>
<td><strong>States and Territories:</strong> complete all transitional arrangements, including data transfer, by May 2012</td>
<td>Queensland’s data was transferred on 26 May 2012.</td>
</tr>
<tr>
<td>Commonwealth: commence</td>
<td></td>
</tr>
<tr>
<td>2011–12 Milestone</td>
<td>Progress report</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>new national business names registration system by 28 May 2012</td>
<td>NOT APPLICABLE to the Queensland response.</td>
</tr>
<tr>
<td>Output</td>
<td>COMPLETED</td>
</tr>
<tr>
<td>A national system for registering business names.</td>
<td>This reform was delivered in line with the agreed milestones, with the release of the National Business Names Registration Service and the Australian Business Register on 28 May 2012.</td>
</tr>
</tbody>
</table>

**Additional comments**
18. Personal property securities

Establishment of a national personal property securities system including a PPS register.

Table 18.1: 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: complete migration of data from State and Territory registers and all related transitional arrangements by Oct 2011</td>
<td>COMPLETED</td>
</tr>
<tr>
<td>Queensland completed its transition of data to the Commonwealth PPS register in January 2012.</td>
<td></td>
</tr>
<tr>
<td>All jurisdictions: national personal property securities system commences by Oct 2011</td>
<td>The National Register commenced on 30 January 2012.</td>
</tr>
<tr>
<td>Output</td>
<td>COMPLETED</td>
</tr>
<tr>
<td>Establishment of a national personal property securities system including a PPS register.</td>
<td></td>
</tr>
</tbody>
</table>

Additional comments
21. Mine safety

Implementing the National Mine Safety Framework to create a nationally consistent health and safety regime in the Australian mining industry, through the delivery of the following seven strategies: 1. nationally consistent legislative framework (consistent with the provisions of the nationally uniform OH&S model legislation); 2. competency support; 3. compliance support; 4. nationally coordinated protocol on enforcement; 5. consistent and reliable data collection and analysis; 6. effective consultation mechanisms; and 7. collaborative approach to research.

Table 21.1: 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: establish a national regulators forum by May 2012</td>
<td>COMPLETED</td>
</tr>
<tr>
<td>All jurisdictions: finalise development of National Mine Safety Database by April 2012</td>
<td>The development of a national mine safety (NMS) database has been finalised and the national regulators forum was established in May 2012; with the forum itself to be held later in the year.</td>
</tr>
<tr>
<td>NSW, Qld and WA: provide a progress report to SCER on the drafting of non-core mine safety legislation and regulations by 1 June 2012</td>
<td>A progress report was provided to SCER at its meeting on 8 June 2012.</td>
</tr>
</tbody>
</table>

Table 21.1: Future milestones/output

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–13</td>
<td>DELAYED</td>
</tr>
<tr>
<td>All jurisdictions: Input data into the National Database for the first complete reporting period (2012–13) from 1 July 2012</td>
<td>At its meeting on 8 June 2012, SCER members agreed the Chair will write to BRCWG Co-Chairs to amend the milestones for finalising the ‘core’ model Work Health and Safety (Mining) Regulation to 1 August 2012. As such, input into the national database cannot occur on 1 July 2012. Industry and regulator training will not take place until September/October 2012 as a result of the delays to the enactment of the ‘core’ regulations and ‘non-core’ provisions and the need for transitional periods in those states that do not currently collect incident data to the required extent.</td>
</tr>
<tr>
<td>Cth, SA, NT, VIC, and Tas: enact and implement model WHS regulations for Mining by</td>
<td>NOT APPLICABLE to the Queensland Response</td>
</tr>
</tbody>
</table>
Milestone/output | Risks/mitigation strategies
--- | ---
1 July 2012 | IN PROGRESS
**NSW, QLD, WA:** introduce primary ‘non-core’ mine-safety legislation by 1 October 2012
**NSW, QLD and WA:** enact and implement core and non-core mine safety provisions by 31 December 2012 | Queensland will not be able to introduce primary ‘non-core’ legislation by 1 October 2012 for the following reasons:
- Delay in finalizing the ‘core’ regulation and ‘non-core’ provisions;
- The extent of consultation needed;
- Queensland’s regulatory assessment process; and
- The time needed to draft the legislation.

Queensland is now working towards introducing the non-core mine safety legislation into Parliament by November 2012.

As a result, the core and non-core provisions will not be enacted and implemented by 31 December 2012.

**Output**

Implementing the National Mine Safety Framework to create a nationally consistent health and safety regime in the Australian mining industry, through the delivery of the following seven strategies: 1. nationally consistent legislative framework (consistent with the provisions of the nationally uniform OH&S model legislation); 2. competency support; 3. compliance support; 4. nationally coordinated protocol on enforcement; 5. consistent and reliable data collection and analysis; 6. effective consultation mechanisms; and 7. collaborative approach to research.

**Addtional comments**
22. Electronic conveyancing

A single national electronic system for land title transactions.

Table 22.1: 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>States and Territories: agree Intergovernmental Agreement on Electronic Conveyancing by December 2011</td>
<td>COMPLETED The Intergovernmental Agreement (IGA) was agreed in-principle by the Business Regulation and Competition Working Group in August 2011. NSW has reported that, as at 6 June 2012, the IGA had been signed by NSW, Victoria, Queensland, Western Australia, Tasmania and the Northern Territory. Further, South Australia has formally approved the IGA and is expected to sign it shortly. No advice has been received at this stage regarding whether the Australian Capital Territory will sign the IGA.</td>
</tr>
<tr>
<td>States and Territories: agree draft uniform national legislation by December 2011</td>
<td>COMPLETED A draft of the uniform legislation was published for public consultation by ARNECC on 2 April 2012.</td>
</tr>
<tr>
<td>States and Territories: establish the Australian Registrars’ National Electronic Conveyancing Council (ARNECC) in accordance with the IGA by December 2011</td>
<td>COMPLETED ARNECC was established informally in 2011, and was established formally when the IGA was signed by two jurisdictions in 2011.</td>
</tr>
<tr>
<td>States and Territories: The national electronic conveyancing company to complete design specifications for the e-conveyancing system by Jan 2012</td>
<td>COMPLETED Accenture has been engaged by the company to design and build the e-conveyancing platform. The company and Accenture have developed platform specifications. Jurisdictions agreed to the specifications in December 2011. The final quote for the design costs was received from Accenture in February 2012.</td>
</tr>
<tr>
<td>States and Territories: release draft national legislation and Regulation Impact Statement for public consultation by April 2012</td>
<td>COMPLETED The Consultation RIS was released on ARNECC’s website on 5 July 2012. The RIS is available at: <a href="http://www.arnecc.gov.au/publications/consultation_regulatory_impact_statement">http://www.arnecc.gov.au/publications/consultation_regulatory_impact_statement</a></td>
</tr>
<tr>
<td>States and Territories: ARNECC to agree in-principle uniform national operating requirements and participation rules under the national law by</td>
<td>DELAYED NATIONALLY Exposure drafts of the national operating requirements</td>
</tr>
</tbody>
</table>


RTI Document No.258
<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2012</td>
<td>and participation rules were published by ARNECC on 2 April 2012. Feedback from stakeholders is currently being reviewed and, based on this feedback, further consultation with stakeholders will be required.</td>
</tr>
</tbody>
</table>

**States and Territories:**
BRCWG to submit a report to COAG on reform progress by June 2012

**COMPLETED**
A progress report was considered by COAG Senior Officials on 6 July 2012 and COAG on 25 July 2012.

Table 22.2: Future milestones/output

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012–13</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Host jurisdiction:** introduce national legislation by August 2012

**ON TRACK BUT DEPENDANT ON SUPPORT OF ALL PARTIES TO THE IGA**
The host jurisdiction, NSW, proposes to introduce the national legislation in August 2012 (but may be delayed until September). The Queensland Government will consider its position on the national legislation following review of RIS feedback.

**States and Territories (except host jurisdiction):** introduce application legislation and complete all related transitional arrangements by December 2012

**ON TRACK**
It is planned for the national legislation to be introduced in the remaining States and the Northern Territory by the end of 2012. WA has indicated that it may however face a delay due to its upcoming State election. It is unclear whether the ACT will participate in the e-conveyancing initiative at this stage. The Queensland Government will consider its position on the national legislation following review of RIS feedback.

**States and Territories:** commence national legislation by December 2012

**ON TRACK**
The completion of this milestone is subject to the completion of the previous milestone and the effective date of any legislation enacted.

**States and Territories:** the national electronic conveyancing company to have built and begun testing of its e-conveyancing system by December 2012, such that the first real world transactions will be able to conducted by June

**ON TRACK**
The company has commenced the build phase for the first release of the system. The company’s current project plan, as published on its website, has testing scheduled for early 2013 and deployment in Q2 2013.
<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td></td>
</tr>
<tr>
<td>A single national electronic system for land title transactions.</td>
<td></td>
</tr>
</tbody>
</table>

**Additional comments**
23. Oil and gas

Streamlining Commonwealth, State and Territory upstream petroleum regulations.

Table 23.1: 2010–11 incomplete milestones

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>States and Territories:</strong> complete review of state and territory petroleum legislation applying to coastal waters and onshore areas by December 2010</td>
<td>NEARING COMPLETION</td>
</tr>
<tr>
<td><strong>States and Territories:</strong> please provide copies of the review and confirm the date the review was finalised.</td>
<td>The UPOM Secretariat received input from all states and the Northern Territory about these jurisdictions review of their petroleum legislation. Queensland provided its input on 24 November 2011. This was collated by Western Australia into a report that was forwarded to the BRCWG Secretariat on 8 February 2012 (Attachment B).</td>
</tr>
<tr>
<td></td>
<td>BRCWG considered this report at its meeting on 17 April 2012 and noted that the report did not make any conclusions on whether the existing state and territory legislation, as reviewed, is consistent with best practice regulation and good regulatory design. The BRCWG has therefore requested that SCER provide advice, by 30 June 2012, on what, if any, further actions states and territories will take as a result of their reviews.</td>
</tr>
<tr>
<td></td>
<td>A letter has been drafted by the UPOM Secretariat as a response to address the concerns raised by BRCWG.</td>
</tr>
</tbody>
</table>

Table 23.2: 2011–12 milestones

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth: develop a national electronic approvals tracking system by Dec 2011</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Commonwealth: Expand the functions of the existing National Offshore Petroleum Safety Authority (NOPSA) to include regulation</td>
<td>NOT APPLICABLE to Queensland response. However, now finalised by Commonwealth.</td>
</tr>
</tbody>
</table>
### 2011–12 Milestones

of environment plans and day-to-day operations of petroleum and greenhouse gas storage activities in Commonwealth waters by 1 January 2012. NOPSA to become the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)

Commonwealth: Establish a National Offshore Petroleum Titles Administrator (NOPTA) by 1 January 2012 to provide advice on petroleum and greenhouse gas storage titles to the Joint Authorities and to administer those titles and related data

**Progress report**

NOT APPLICABLE to Queensland response. However, now finalised by Commonwealth.

### Table 23.3: Future milestones/output

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–13 States and Territories: Develop draft of Guidelines that outline principles of engagement for petroleum developers with local government by June 2012</td>
<td>ON TRACK At the 14 November 2011 meeting of the Upstream Petroleum and Offshore Minerals Working Group (UPOM) Western Australia submitted a paper recommending that UPOM seek to amend the milestones to refer to development of a guideline that outlines the principles of engagement for petroleum developers with local government rather than a Memorandum of Understanding. This amendment was agreed to by all jurisdictions and ultimately, the BRCWG.</td>
</tr>
</tbody>
</table>

| States and Territories: Submit progress report to SCER, by June 2012, on the drafting of Guidelines that outline principles of engagement for petroleum developers with local government | COMPLETED Western Australia has developed a draft guideline titled “Guidelines of Engagement for Petroleum Developers with Local Government”. At the UPOM meeting of 17 May 2012, this guideline was given in-principal support by all jurisdictions. These draft guidelines were provided to SCER for noting at the 8 June 2012 meeting in Darwin. |

<p>| States and Territories: SCER to agree Guidelines that outline principles of engagement for petroleum developers with local government by December 2012 | ON TRACK SCER noted that the states and the Northern Territory have developed draft guidelines that outline principles of engagement for petroleum developers with local government. The guidelines are on track to be finalised by the end of 2012 for approval by SCER. |</p>
<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output</strong></td>
<td></td>
</tr>
<tr>
<td>Streamlining Commonwealth, State and Territory upstream petroleum regulations.</td>
<td></td>
</tr>
</tbody>
</table>

**Additional comments**
24. Maritime safety

Nationally consistent approach to regulation of State/Territory and Commonwealth legislation in relation to some vessels and operators.

**Table 24.1: 2011–12 milestones**

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All jurisdictions:</strong>&lt;br&gt;Final IGA including financial matters to COAG for consideration by July 2011.</td>
<td><strong>COMPLETED</strong>&lt;br&gt;On 19 August 2011, First Ministers signed the <em>Intergovernmental Agreement on Commercial Vessel Safety Reform.</em></td>
</tr>
<tr>
<td><strong>All jurisdictions:</strong>&lt;br&gt;Commencement of transitional process to develop and pass national and jurisdictional legislation by March 2012</td>
<td><strong>IN PROGRESS</strong>&lt;br&gt;All jurisdictions endorsed the draft National Law Bill on 18 May 2012, and the Federal Transport Minister Anthony Albanese introduced the Bill to parliament on 24 May 2012.</td>
</tr>
</tbody>
</table>

*NOTE: Maritime Safety (competition) contains the same 2011–12 milestones as Maritime Safety (regulation) and will be assessed in the same chapter.*

**Table 24.2: Future milestones/output**

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012–13</strong></td>
<td><strong>IN PROGRESS</strong>&lt;br&gt;Queensland is working to progress legislation for the Regulator and plans to refer the issue to the recently-established Office of Best Practice Regulation (OBPR) for thorough analysis. Queensland is actively working with the Australian Maritime Safety Authority and all jurisdictions to develop and negotiate the arrangements necessary for implementation of the national system.</td>
</tr>
<tr>
<td><strong>Output</strong>&lt;br&gt;Nationally consistent approach to regulation of State/Territory and Commonwealth legislation in relation to some vessels and operators.</td>
<td>All jurisdictions have indicated they will agree to the scope of the national regulator and work towards this is progressing.</td>
</tr>
</tbody>
</table>
Additional comments
26. Directors’ liability

A nationally consistent and principled approach to the imposition of personal criminal liability of directors or other corporate officers for corporate fault.

Table 26.1: 2011–12 milestone

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All jurisdictions:</strong> BRCWG to agree guidelines for the consistent application of the principles by August 2011</td>
<td>COMPLETED</td>
</tr>
<tr>
<td>Queensland conducted the 2011/2012 audit with regard to the COAG Principles and BRCWG Guidelines.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>COMPLETED</td>
</tr>
<tr>
<td>Queensland conducted the 2011/2012 audit using the standard reporting template created by BRCWG.</td>
<td></td>
</tr>
<tr>
<td><strong>All jurisdictions:</strong> BRCWG to agree a standard template for reporting revised audit outcomes by August 2011</td>
<td></td>
</tr>
<tr>
<td>Queensland undertook an audit of all directors’ liability provisions in Queensland’s statute book (except those constituting a permitted exclusion or subject to another national process) utilising the COAG Principles and BRCWG guidelines. Completed reporting templates have been provided to BRCWG – Queensland provided its template on 29 February 2012.</td>
<td>COMPLETED</td>
</tr>
<tr>
<td><strong>All jurisdictions:</strong> Individually review the audit outcomes against the guidelines using the standard template and report to BRCWG that this has been completed by February 2012</td>
<td></td>
</tr>
<tr>
<td>Queensland, along with other States and Territories, participated in a collective review of audit outcomes and participated in the recent BRCWG and COAG reporting processes.</td>
<td>COMPLETED</td>
</tr>
<tr>
<td><strong>All jurisdictions:</strong> BRCWG to collectively examine the revised audit outcomes and report to COAG on proposed amendments/peel of relevant legislation to ensure consistency by March 2012</td>
<td></td>
</tr>
</tbody>
</table>

Table 26.3: Future milestones/output

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012–13</strong></td>
<td>ON TRACK</td>
</tr>
<tr>
<td>All jurisdictions: BRCWG to agree to apply the principles (and guidelines) when drafting future legislation and report to COAG on the mechanism used in each jurisdiction to achieve this by July 2012</td>
<td>Queensland proposes (subject to Cabinet approval) to apply the COAG principles and BRCWG Guidelines to future policy and legislative proposals in Queensland.</td>
</tr>
<tr>
<td>Milestone/output</td>
<td>Risks/mitigation strategies</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>All jurisdictions; develop a legislative plan to agreed reforms and introduce legislation by December 2012</td>
<td>ON TRACK</td>
</tr>
<tr>
<td>Queensland proposes to introduce an omnibus Bill giving effect to Queensland’s audit results by December 2012 (subject to Cabinet approval).</td>
<td></td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td>In the hope of achieving greater consistency between jurisdictions, Queensland is committed to reforming its approach to the imposition of personal criminal liability on directors and other corporate officers for corporate offending in line with agreed COAG principles and BRCWG guidelines.</td>
</tr>
</tbody>
</table>

**Additional comments**
27. Consumer credit


These reforms establish a national consumer credit regulation and enforcement regime which includes: a comprehensive licensing regime; responsible lending requirements; improved sanctions; enhanced enforcement powers; and enhanced consumer protection through dispute resolution mechanisms, court arrangements and remedies. (Reforms 11, 12 and 13 have been assessed as complete and will not be reassessed.)

Table 27.1: 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth: Finalise Commonwealth Regulation Impact Statements for Part One, Phase Two reforms by August 2011</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Commonwealth: Enact legislation for Part One, Phase Two reforms by December 2011</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Commonwealth: Circulate to the States and Territories draft legislation for matters requiring a referral of power/ adoption in Part Two, Phase Two reforms by December 2011</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Commonwealth: Report to COAG, through BRCWG on implementation of Part One, Phase Two reforms by December 2011</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Commonwealth: Finalise Regulation Impact Statements for Part Two, Phase Two reforms by December 2011</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>States and Territories: At least one State pass referral legislation for Part Two, Phase Two reforms by June 2012 (if required)</td>
<td>NOT ACHIEVABLE due to Commonwealth delays in circulating draft legislation for Part 2, Phase 2 reforms.</td>
</tr>
</tbody>
</table>

Please advise of the conditions.
### 2011–12 Milestone
**which would mean this milestone is not required.**

### Table 27.2: Future milestones/output

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012–13</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Commonwealth:</strong></td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Enact legislation for Part Two, Phase Two reforms by July 2012</td>
<td></td>
</tr>
<tr>
<td><strong>States and Territories:</strong></td>
<td>NOT ACHIEVABLE due to Commonwealth delays in circulating draft legislation for Part 2, Phase 2 reforms.</td>
</tr>
<tr>
<td>Any States proceeding to adopt the Commonwealth law, enact adoption legislation for Part Two, Phase Two reforms by December 2012</td>
<td>In mid-July 2012, the Commonwealth provided the states and territories with draft amendments to the National Consumer Credit Protection Act 2009 in relation to Phase 2 matters, although some provisions are still being developed and prepared. At this time, model referral legislation has not been prepared or distributed to the states and territories. Model referral legislation will be negotiated between jurisdictions.</td>
</tr>
<tr>
<td><strong>Commonwealth:</strong></td>
<td>Due to Commonwealth delays, the proposed enactment of adoption legislation by December 2012 fails to provide adequate and reasonable time for proper scrutiny and consideration by Queensland Cabinet and Parliament.</td>
</tr>
<tr>
<td>Report to COAG, through BRCWG, on implementation of Part two of Phase two by December 2012</td>
<td>As stated in the 2010-11 Report on Performance, Queensland’s ability to meet legislative milestones for Part 2, Phase 2 is dependent on the Commonwealth’s progress in relation to those matters.</td>
</tr>
<tr>
<td><strong>States and Territories:</strong></td>
<td>NOT ACHIEVABLE due to Commonwealth delays in circulating draft legislation for Part 2, Phase 2 reforms.</td>
</tr>
<tr>
<td>All States to enact repeal legislation for Part Two, Phase Two reforms by December 2012</td>
<td></td>
</tr>
<tr>
<td>Commonwealth:</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Report to COAG, through BRCWG, on implementation of Part two of Phase two by December 2012</td>
<td></td>
</tr>
<tr>
<td>Milestone/output</td>
<td>Risks/mitigation strategies</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td></td>
</tr>
<tr>
<td>These reforms establish a national consumer credit regulation and enforcement regime which includes: a comprehensive licensing regime; responsible lending requirements; improved sanctions; enhanced enforcement powers; and enhanced consumer protection through dispute resolution mechanisms, court arrangements and remedies.</td>
<td></td>
</tr>
</tbody>
</table>

**Additional comments**
PART B: COMPETITION REFORM

29. Energy

Previously agreed energy market reforms.

29.1 Energy: retail price regulation

Table 29.1: 2010–11 milestones

<table>
<thead>
<tr>
<th>2011–12 milestones</th>
<th>Progress/report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All Jurisdictions:</strong></td>
<td>NOT APPLICABLE</td>
</tr>
<tr>
<td>[AEMC to] report to MCE on:</td>
<td>Queensland’s review is scheduled for 2013.</td>
</tr>
<tr>
<td>a) Effectiveness of competition in retail electricity and natural gas markets</td>
<td></td>
</tr>
<tr>
<td>b) Recommend measures to enhance retail competition if it is found to be ineffective</td>
<td></td>
</tr>
<tr>
<td>c) Recommend measures to enhance retail competition if it is found to be ineffective</td>
<td></td>
</tr>
<tr>
<td><strong>NSW: 2012</strong></td>
<td></td>
</tr>
<tr>
<td>ACT: Respond to the AEMC’s findings. If it is agreed that competition is effective in that jurisdiction, develop a plan to carefully manage the removal of retail price regulation in electricity and natural gas markets; within 6 months of the completion of the AEMC report</td>
<td></td>
</tr>
<tr>
<td><em>Tasmania: please advise whether the introduction of full retail contestability has been considered.</em></td>
<td></td>
</tr>
</tbody>
</table>
Table 29.2: Future milestones

<table>
<thead>
<tr>
<th>Future milestones</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All Jurisdictions:</strong></td>
<td><strong>ON TRACK</strong></td>
</tr>
<tr>
<td>d) Effectiveness of competition in retail electricity and natural gas markets</td>
<td>Queensland’s review is scheduled for 2013.</td>
</tr>
<tr>
<td>c) Recommend measures to enhance retail competition if it is found to be ineffective</td>
<td>However, depending on timing, the planned Queensland review may occur at a time of significant change in the electricity sector, which may impact on the effectiveness of the AEMC review process.</td>
</tr>
<tr>
<td><strong>QLD:</strong> 2013</td>
<td></td>
</tr>
<tr>
<td><strong>SA:</strong> 2015</td>
<td></td>
</tr>
<tr>
<td><strong>ACT:</strong> 2016</td>
<td></td>
</tr>
<tr>
<td><strong>TAS:</strong> 18 months after implementation of full retail contestability</td>
<td></td>
</tr>
<tr>
<td><strong>NSW, QLD, SA and Tas:</strong> Respond to the AEMC’s findings. If it is agreed that competition is effective in that jurisdiction, develop a plan to carefully manage the removal of retail price regulation in electricity and natural gas markets: within 6 months of the completion of the AEMC report</td>
<td></td>
</tr>
</tbody>
</table>

29.2 Energy: harmonisation of energy market legislation

Table 29.3: Future milestones

<table>
<thead>
<tr>
<th>Future milestones</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harmonisation of energy market legislation</td>
<td>The Queensland Government is yet to consider the introduction of the National Energy Customer Framework. However, the Government is expected to give consideration to this issue before June 2013.</td>
</tr>
<tr>
<td>All jurisdictions (except WA and NT); Application Acts to</td>
<td>Tasmania and Australian Capital Territory have legislation in</td>
</tr>
</tbody>
</table>
Future milestones | Risks/mitigation strategies
---|---
give effect to the National Energy Customer Framework passed in relevant jurisdictions (by June 2013) | place to commence on 1 July 2012.

All jurisdictions (except WA and NT); Review of derogations in energy market legislation (by June 2014) | There are no identified risks to the planned review of derogations in energy market legislation at this time.

29.3 Energy: market investment

Table 29.4: 2010–11 incomplete milestones

| Future milestones | Risks/mitigation strategies |
---|---|
Ensure adequate energy market investment. | ONGOING |

All jurisdictions (except WA and NT); Report to MCE on a framework for assessing the adequacy of energy market investment by December 2010. | The Queensland Government has commenced a review of the energy sector as part of its commitment to address rising electricity costs. It has established an Interdepartmental Committee (IDC) on Electricity Sector Reform, which has engaged an Independent Review Panel (IRP) to provide solutions for a cost effective network. The review will investigate all aspects of the electricity sector that impact on electricity costs including ways to improve the efficiency of network investment in the State. Recommendations from the IDC, incorporating the findings of the IRP, will be delivered by January 2013.

The Australian Energy Market Operator (AEMO) delivered the third and fourth Investment Trends Reports to the Standing Council on Energy and Resources (SCER) in 2011-12. These bi-annual reports, which were provided to the SCER for noting, contribute to a national framework for assessing the adequacy of energy market investment. The Investment Trends Reports are compiled in addition to other annual AEMO publications, such as the Electricity and Gas ‘Statement of Opportunities’ reports, which inform the decisions of energy market participants and enable the SCER’s consideration of the adequacy of investment in energy infrastructure.

The third report (December 2011) highlighted the
<table>
<thead>
<tr>
<th>Future milestones</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>uncertainty of the effects of the carbon tax on generation investment decisions. The fourth report (June 2012) focused on the downward pressure adverse commercial conditions for energy intensive industries, solar photovoltaic schemes and higher electricity prices have exerted on demand in the National Energy Market.</td>
</tr>
<tr>
<td></td>
<td>The fourth report indicated that further deferrals in the requirement for new generation, which is 87 MW in 2013-14 for Queensland (published in 2011 Electricity Statement of Opportunities Update), could be announced when AEMO publishes its national energy forecast in late June 2012. Consistent with the views expressed in AEMO’s fourth Investment Trends Report, the Queensland Government does not anticipate that there will be an urgent requirement for significant generation investment in Queensland before 2014-15. The requirement for additional generation investment will continue to be monitored.</td>
</tr>
<tr>
<td></td>
<td>Network investment growth is expected to be strong over the next five years due to capital requirements to meet peak demand and the replacement of ageing assets to mitigate reliability risks.</td>
</tr>
<tr>
<td></td>
<td>SCER is monitoring the following actions regarding network investment:</td>
</tr>
<tr>
<td></td>
<td>- The Australian Energy Market Commission (AEMC) assessment of proposals to amend the rules governing network regulatory determinations;</td>
</tr>
<tr>
<td></td>
<td>- Current AEMC reviews on network issues;</td>
</tr>
<tr>
<td></td>
<td>- AEMC work to advise on implementation of a national transmission reliability standards framework;</td>
</tr>
<tr>
<td></td>
<td>- The AER’s information strategy on the collection of consistent and robust data; and</td>
</tr>
<tr>
<td></td>
<td>- The Productivity Commission’s review of electricity network regulation.</td>
</tr>
<tr>
<td></td>
<td>The Investment Trend Reports emphasise that gas infrastructure investment is extensive in Queensland due to the development of LNG facilities. AEMO believes that a more coordinated approach to gas transmission expansion (to meet the needs of the LNG industry) would be of benefit. Queensland is in favour of increased coordination in gas transmission planning where appropriate. Queensland’s Annual Gas Market Review, which is overseen by Queensland’s Gas Market Advisor, monitors gas supply and transmission issues within Queensland.</td>
</tr>
<tr>
<td></td>
<td>In June 2012 SCER ministers agreed to develop a policy and...</td>
</tr>
<tr>
<td>Future milestones</td>
<td>Risks/mitigation strategies</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td>implementation strategy for a Coal Seam Gas Regulatory Framework and a National Gas Supply Hub Trading Market Model. These strategies will be considered further at the December 2012 SCER meeting.</td>
</tr>
</tbody>
</table>

### 29.4 Energy: demand side participation

#### Table 29.5: 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 milestones</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Demand-Side Participation - ON TRACK</td>
</tr>
</tbody>
</table>

Queensland continues to investigate cost-effective options to reduce upward pressure on electricity prices. Actions in 2011-12 included investigating options for managing peak demand and future infrastructure spending, including load control of domestic air-conditioning, hot water systems and pool pumps, energy management solutions across government operations and support for large scale district cooling solutions.

The Queensland Government has commenced a review of the energy sector as part of its commitment to address rising electricity costs. It has established an Interdepartmental Committee on Electricity Sector Reform, which has engaged an Independent Review Panel (IRP) to provide solutions for a cost effective network. The review will investigate all aspects of the electricity sector that impact on electricity costs including demand side options. Recommendations from the IDC, incorporating the findings of the IRP, will be delivered by January 2013.

Smart meters – DELAYED against original timeframes however a new approach has been developed and is being implemented.

In 2010, the Queensland Government decided not to proceed with planned pilots and trials of smart meters, and in 2011, announced that it would not mandate deployment of smart meters until there was clear evidence of benefits for Queensland electricity consumers.

Rather than direct Queensland electricity distributors to undertake pilots and trials, the Queensland Government is instead monitoring the smart meter rollouts, pilots and trials conducted in other states; the outcomes of the Smart Grid, Smart City project; and the results of Energex and Ergon Energy’s smart grid trials in Brisbane and Townsville which
incorporate smart meter technology.

Following the review of Ministerial Councils in 2011, the responsibility for MCE's work program was transferred to the new Standing Council on Energy and Resources (SCER). In December 2011, SCER agreed that the national framework for smart metering should be completed in a way that focuses on delivering benefits to consumers under all likely deployment scenarios.

In June 2012, SCER published a Directions Statement for smart meters to signal to the industry the short to medium policy intent for national smart meter policy development.

Queensland supports the Direction Statement for smart meters, published by SCER in June 2012, as a framework to support the future deployment of smart meter technologies.

Queensland will continue to participate in the development of the national smart meter work plan through the SCER Smart Meter Working Group.

To date, only Victoria has mandated the roll-out of smart meters, to be completed in 2013. Although smart meter trials are under way in NSW, SA, WA and ACT, no other jurisdiction is expected to mandate a smart meter roll-out in the next few years. Interim reports on pilots and trials are available through the SCER's Smart Meter Working Group.

Queensland will consider its position on demand side participation and smart meter policy when the outcomes of the Electricity Sector Reform review are released in early 2013.

Table 29.6: Future milestones

<table>
<thead>
<tr>
<th>Future</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure balanced incentives for efficient demand side participation in energy markets Smart Meters</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td>VIC: Roll-out scheduled for completion by December 2013.</td>
<td></td>
</tr>
<tr>
<td>NSW: completed roll-out by December 2017</td>
<td></td>
</tr>
</tbody>
</table>
Additional comments
30. National access regime

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth: Commence Productivity Commission review of the National Access Regime, including the impact of the Bill. Review to commence December 2012. This Productivity Commission review is to satisfy clause 8.1 of the CIRA (including a number of specific reform areas, noted under Infrastructure Reform).</td>
<td>The Commonwealth circulated draft Terms of Reference for the PC review of the National Access Regime. Queensland has provided feedback on the draft Terms of Reference.</td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td><strong>NOT APPLICABLE</strong> to Queensland response</td>
</tr>
<tr>
<td>National Access Regime</td>
<td></td>
</tr>
<tr>
<td>• Wherever possible, promoting commercial negotiations as the means to determining terms and conditions of third-party access to services provided by means of significant infrastructure facilities. • Apply consistent regulatory principles to the National Access Regime, including 6 month time limits for regulator decisions, object clauses, regulated access prices, and limited merits review of regulatory decisions.</td>
<td></td>
</tr>
</tbody>
</table>

Additional comments
## 31. Infrastructure

### Table 31.1: Certification of all State Access Regimes – 2010–11 incomplete milestones

<table>
<thead>
<tr>
<th>2010–11 milestones</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>COMPLETE</td>
</tr>
<tr>
<td></td>
<td>Queensland submitted its third party access regimes for certification by December 2010.</td>
</tr>
</tbody>
</table>

**Certification of the Queensland rail access regime**

On 17 June 2010, the Queensland Government made an application to the NCC seeking certification of the Queensland rail access regime established under the *Queensland Competition Authority Act 1997* (QCA Act).

On 19 January 2011, the Commonwealth Minister certified the Queensland rail access regime as an effective access regime for a period of 10 years.

**Certification of the Dalrymple Bay Coal Terminal (DBCT) Access Regime**

On 16 December 2010, the Queensland Government made an application to the NCC seeking certification of the DBCT Access Regime established under the QCA Act.

On 11 July 2011, the Commonwealth Minister certified the DBCT Access Regime as an effective access regime for a period of 10 years.

The Standing Council on Energy and Resources (SCER) undertook extensive consideration and consultation regarding third party certification of electricity and gas regimes and agreement could not be reached. At the SCER meeting of 9 December 2011, Ministers agreed to write to the Council of Australian Governments requesting the removal of this milestone from the SCER work plan. The letter was sent on 16 April 2012.

**States:** Submit third party access regimes for certification: December 2010.
### Table 31.2: Certification of all State Access Regimes – 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 milestones</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NCC:</strong> NCC to make certification recommendation on State Access Regimes (six months after each regime is submitted for certification)</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
</tbody>
</table>

### Table 31.3: Certification of all State Access Regimes – future milestones/output

<table>
<thead>
<tr>
<th>Future milestones/output</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012–13 milestones</strong></td>
<td></td>
</tr>
<tr>
<td>Commonwealth: Commence Productivity Commission review, to consider the effectiveness of the CIRA, and assess the impact of:</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>- Certification; and</td>
<td></td>
</tr>
<tr>
<td>- The CIRA regulatory principles on the National and state access regimes</td>
<td></td>
</tr>
<tr>
<td>Review to commence December 2012.</td>
<td></td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td></td>
</tr>
<tr>
<td>Certification of all State Access Regimes</td>
<td>COMPLETE for Queensland.</td>
</tr>
<tr>
<td>- Apply regulatory principles outlined in CIRA (6 month decision time limit on regulators, object clauses, regulated access prices, limits on merits review) to specified access regimes in Appendix 1 of the CIRA.</td>
<td></td>
</tr>
<tr>
<td>The Queensland Rail Access Regime and the DBCT Access Regime were certified as effective access regimes on 19 January 2011 and 11 July 2011 respectively.</td>
<td></td>
</tr>
</tbody>
</table>
**Table 31.4: Review and reform of significant ports – 2010–11 incomplete milestones**

<table>
<thead>
<tr>
<th>2010–11 milestones</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>WA, NT: Implement recommendations from the completion/regulation reviews of significant ports: March 2011</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>WA, NT: Please provide supporting documentation to confirm recommendations from reviews of significant ports have been implemented and please confirm the date the recommendations were implemented.</td>
<td></td>
</tr>
</tbody>
</table>

**Table 31.5: Review and reform of significant ports – output**

<table>
<thead>
<tr>
<th>Output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review and reform of significant ports</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>• States to undertake transparent public reviews of the regulation and effectiveness of competition in ports and port authority, handling and storage facility operations at significant ports.</td>
<td>Queensland completed its review of the regulation of ports as required under the CIRA. The CRC assessed Queensland as having completed this milestone in its 2010-11 Performance Report.</td>
</tr>
</tbody>
</table>

**Table 31.6: Competitive Tendering principles – Future milestone/output**

<table>
<thead>
<tr>
<th>Future milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–13 milestone</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Commonwealth: Commence Productivity Commission</td>
<td></td>
</tr>
</tbody>
</table>

**National Partnership Agreement to Deliver a Seamless National Economy: Report on Performance 2011–12**

RTI Document No.281
<table>
<thead>
<tr>
<th>Future milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>review to consider the effectiveness of the CIRA, and assess the impact of the competitive tendering regulations on improving conditions of access to government owned infrastructure facilities: Review to commence December 2012.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Output</th>
<th>COMPLETE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Tendering principles</td>
<td></td>
</tr>
<tr>
<td>• Introduce legislative amendments so that Part IIIA declarations will not apply to government owned infrastructure whose access provisions are developed by a competitive tender process approved by the ACCC</td>
<td></td>
</tr>
<tr>
<td>• Commonwealth and States and Territories to work together to develop a consistent set of criteria to operationalise Commonwealth amendments to Part IIIA of the <em>Competition and Consumer Act 2010</em></td>
<td></td>
</tr>
</tbody>
</table>

Table 31.7: Competitive Neutrality principles and reporting – 2011–12 milestones and output

<table>
<thead>
<tr>
<th>2011–12 milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HoTs:</strong> Annual submission of HoTs competitive neutrality matrix to COAG for review: June 2012</td>
<td>Queensland submits its competitive neutrality matrix on an annual basis.</td>
</tr>
<tr>
<td><em>Please advise what date HoTs sent this to COAG, and provide</em></td>
<td>The matrix was considered by COAG Senior Officials on 6</td>
</tr>
<tr>
<td>2011–12 milestone</td>
<td>Progress report</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><em>a copy of the review.</em></td>
<td>July 2012 and COAG on 25 July 2012.</td>
</tr>
</tbody>
</table>

**Output**

Competitive Neutrality principles and reporting

HoTs to develop a reporting mechanism for COAG regarding the enhanced application of competitive neutrality principles to government business enterprises (GBEs), requiring GBEs to conduct their operations with:

- Clear commercial objectives unless non-commercial objectives are clearly specified in their governing legislation;
- Clear governance accountability and transparency; and
- Strong reporting requirements including annual public reports on commercial performance.

**Additional comments**
32. Occupational licensing

Rationalisation of occupational licenses.

Table 32.2: 2010–11 incomplete milestone

<table>
<thead>
<tr>
<th>2010–11 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRCWG: BRCWG to consider further scope for reform by September 2010 in order to allow for the progress of related reform areas including consumer policy frameworks, health professional registration and accreditation and licences of tradespeople: by September 2010.</td>
<td>NOT APPLICABLE to the Queensland Response.</td>
</tr>
<tr>
<td><em>Commonwealth:</em> Please confirm the date this was considered and outcomes of the consideration.</td>
<td></td>
</tr>
</tbody>
</table>

Table 32.3: Output

<table>
<thead>
<tr>
<th>Output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationalisation of occupational licenses.</td>
<td></td>
</tr>
</tbody>
</table>

Additional comments
33. National transport reforms

Table 33.1: National framework regulation, registration and licensing of heavy vehicles – 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATC/SCOT: Final Intergovernmental Agreement to COAG for consideration: July 2011</td>
<td>COMPLETED On 19 August 2011, First Ministers signed the <em>Intergovernmental Agreement on Heavy Vehicle Regulatory Reform</em>.</td>
</tr>
<tr>
<td>ATC/SCOT: Transitional arrangements agreed: December 2011</td>
<td>IN PROGRESS The Standing Council on Transport and Infrastructure (SCOTI) agreed to the Heavy Vehicle National Law Bill 2011 on 4 November 2011. The Bill was introduced into the Queensland Parliament in 2011 but lapsed due to the Queensland election. It was again introduced into the Queensland Parliament on 31 July 2012.</td>
</tr>
</tbody>
</table>

Table 33.2: National framework regulation, registration and licensing of heavy vehicles – future milestones and output

<table>
<thead>
<tr>
<th>Future milestones/output</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–13 milestones</td>
<td>IN PROGRESS Queensland is expediting all necessary arrangements to allow passage of the NHVL through Queensland parliament by the end of 2012. Governance arrangements will be finalised once the NHVL Bill has been passed by the Queensland Parliament.</td>
</tr>
<tr>
<td>All jurisdictions: commence ment of Heavy Vehicle Regulator: if possible by July 2012 but no later than 31 December 2012</td>
<td></td>
</tr>
<tr>
<td>ATC/SCOT: Full implementation, including national law, service level agreements between the national regulator and States and Territories and development of one-stop shop mechanism: December 2012</td>
<td></td>
</tr>
<tr>
<td>Future milestones/output</td>
<td>Progress report</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>2016-17 milestone</strong></td>
<td></td>
</tr>
<tr>
<td>Productivity Commission:</td>
<td>NOT APPLICABLE</td>
</tr>
<tr>
<td>Review of the overall economic</td>
<td>to Queensland response</td>
</tr>
<tr>
<td>impact of the new national</td>
<td></td>
</tr>
<tr>
<td>framework (completed by 2016)</td>
<td></td>
</tr>
</tbody>
</table>

**Output**
National framework for regulation, registration and licensing of heavy vehicles
- Establishment of a single national regulator to administer a body of national heavy vehicles laws for all vehicles over 4.5 tonnes, including a national registration scheme
- The national framework will also lead towards a consistent approach to heavy vehicle driver competency and testing standards, and heavy vehicle driver training school recognition and a single, physical heavy vehicle driver licence.

All jurisdictions (except Western Australia who did not sign the Intergovernmental Agreement) are progressing this reform.

Queensland is taking all possible steps to ensure the timely passage of the HVNL.

Considerable progress has been made in establishing the National Heavy Vehicle Regulator, including significant work to resolve operational issues.

---

**Table 33.3: Single national rail safety regulatory framework and rail safety investigation framework – 2011–12 milestones**

<table>
<thead>
<tr>
<th>2011–12 milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATC/SCOT: Final Intergovernmental Agreement to COAG for consideration: July 2011</td>
<td>On 19 August 2011, First Ministers signed the <em>Intergovernmental Agreement on Rail Safety Regulation and Investigation Reform</em>.</td>
</tr>
</tbody>
</table>

**Table 33.4: Single national rail safety regulatory framework and rail safety investigation framework – future milestones/output**

<table>
<thead>
<tr>
<th>Future milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012–13 milestone</strong></td>
<td>On 19 August 2011, the First Ministers signed the <em>Intergovernmental Agreement on Rail Safety Regulation and Investigation Reform</em>.</td>
</tr>
<tr>
<td>ATC/SCOT:</td>
<td></td>
</tr>
<tr>
<td>Future milestone/output</td>
<td>Risks/mitigation strategies</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Full implementation of the national rail safety regulator, including national law and</td>
<td>Members of the Standing Council on Transport and Infrastructure (SCOTI), unanimously voted</td>
</tr>
<tr>
<td>establishment of branch offices of a national regulator, and implementation of the</td>
<td>in support of the Rail Safety National Law package on 4 November 2011.</td>
</tr>
<tr>
<td>ATSB's extended role: December 2012</td>
<td>On 18 May 2012, SCOTI agreed that the National Rail Safety Regulations will not contain</td>
</tr>
<tr>
<td></td>
<td>prescribed hours of work for train drivers, noting that New South Wales will retain</td>
</tr>
<tr>
<td></td>
<td>their existing prescribed hours limits.</td>
</tr>
<tr>
<td></td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
</tbody>
</table>

2016-17 milestone

Productivity Commission:
Review of the overall economic impact of the new national framework: completed by 2016

Output
Single national rail safety regulatory framework and rail safety investigation framework

National rail safety regulator
- Establishment of a national rail safety regulator to administer national rail safety regulation
- Establishment of branch offices of a national regulator in all main State capital cities (i.e. excluding NT, Tas and ACT) to administer safety functions and liaise with industry

Rail safety investigator
- Extending the role of the Australian Transport Safety Bureau (ATSB) to cover almost all commercial rail operations in Australia

Rail Safety Regulator
By 1 May 2012, the Rail Safety National Law had passed through both houses of the South Australian Parliament.

Considerable progress has been made in establishing the National Rail Safety Regulator, including significant work to resolve operational issues.

Queensland is working to progress legislation for the Regulator and plans to refer the issue to the recently-established Office of Best Practice Regulation (OBPR) for thorough analysis.

Rail Safety Investigator
Work on establishing the National Rail Safety Investigator is continuing.
### Table 33.5: National approach to Maritime Safety regulation – 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 milestones</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATC/SCOT: Final IGA including financial matters to COAG for consideration: July 2011.</td>
<td>NOTE: Maritime Safety (competition) contains the same 2011–12 milestones as Maritime Safety (regulation) and will be assessed in that chapter.</td>
</tr>
<tr>
<td>ATC/SCOT: Commencement of transitional process to develop and pass national and jurisdictional legislation: March 2012.</td>
<td></td>
</tr>
</tbody>
</table>

### Table 33.6: National approach to Maritime Safety regulation – future milestones and output

<table>
<thead>
<tr>
<th>Future milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012–13 milestone</strong></td>
<td>IN PROGRESS</td>
</tr>
<tr>
<td>ATC/SCOT, Commonwealth States and Territories and AMSA: Complete all necessary arrangements to ensure full implementation of the national system by 1 January 2013; completed by 31 December 2012</td>
<td>Queensland is actively working with the Australian Maritime Safety Authority and all jurisdictions to develop and negotiate the arrangements necessary for implementation of the national system.</td>
</tr>
<tr>
<td><strong>2016–17 milestone</strong></td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td>Productivity Commission: Review of the overall economic impact of the new national framework: completed by December 2016</td>
<td></td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td>All jurisdictions have indicated they will agree to the scope of the national regulator and work towards this is progressing.</td>
</tr>
<tr>
<td>National approach to Maritime Safety regulation</td>
<td></td>
</tr>
<tr>
<td>• Establishment of a single national maritime</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Future milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>regulator to establish and maintain national uniformity in commercial maritime vessel standards, regulations and administration</td>
<td></td>
</tr>
<tr>
<td>• A transitional period will apply to allow the development and passage of national and jurisdictional legislation and arrangements to facilitate the establishment of national systems to support Australian Maritime Safety Authority’s (AMSA’s) role as the national commercial vessel regulator when the national system comes into effect in 2013</td>
<td></td>
</tr>
</tbody>
</table>

Additional comments
34. Road reform plan

Table 34.1: Review of pricing options – 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 Milestones</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATC: Final Feasibility Study</td>
<td>COMPLETED</td>
</tr>
<tr>
<td>Report to COAG for consideration: December 2011</td>
<td>COAG has considered and endorsed the Feasibility Study Report.</td>
</tr>
<tr>
<td>ATC: Consultation RIS</td>
<td>IN PROGRESS</td>
</tr>
<tr>
<td>finalised (if required):</td>
<td>Based on the findings of the Feasibility Study a consultation RIS will be</td>
</tr>
<tr>
<td>completed by May 2012</td>
<td>undertaken by the end of 2013.</td>
</tr>
</tbody>
</table>

Table 34.2: Review of pricing options – future milestones and output

<table>
<thead>
<tr>
<th>Future milestones/output</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–13 milestones</td>
<td>IN PROGRESS</td>
</tr>
<tr>
<td>ATC: ATC recommendations</td>
<td>Queensland is participating in national meetings, and</td>
</tr>
<tr>
<td>on charging arrangements</td>
<td>actively involved in discussions with other jurisdictions, to</td>
</tr>
<tr>
<td>(and associated decision RIS)</td>
<td>develop a proposed. Heavy Vehicle Charging and Investment</td>
</tr>
<tr>
<td>to COAG: completed by</td>
<td>framework. The framework will be presented to</td>
</tr>
<tr>
<td>December 2012</td>
<td>COAG by December 2012.</td>
</tr>
<tr>
<td>ATC: Development of an</td>
<td>IN PROGRESS</td>
</tr>
<tr>
<td>implementation plan for</td>
<td>A consultation RIS will be completed by the end of 2013</td>
</tr>
<tr>
<td>the option agreed by</td>
<td>based on the COAG decision on the charging and investment</td>
</tr>
<tr>
<td>COAG: completed by</td>
<td>reform framework.</td>
</tr>
<tr>
<td>March 2013</td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>The framework report to be finalised by end 2012 will</td>
</tr>
<tr>
<td></td>
<td>address funding and governance reform in addition to the</td>
</tr>
<tr>
<td></td>
<td>pricing reform first envisaged.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Future milestones/output</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>with those objectives and principles</td>
<td></td>
</tr>
<tr>
<td>• Provide on-going advice for the technical streams</td>
<td></td>
</tr>
<tr>
<td>Pricing</td>
<td></td>
</tr>
<tr>
<td>• Identify, develop and assess pricing structure options against the policy framework</td>
<td></td>
</tr>
<tr>
<td>• Undertake the research required to support the new pricing structure</td>
<td></td>
</tr>
<tr>
<td>Legal and Regulatory</td>
<td></td>
</tr>
<tr>
<td>• Consider the legal constraints and implications of various pricing options</td>
<td></td>
</tr>
<tr>
<td>• Consider the required regulatory and institutional frameworks which would be required to optimise the benefits of various pricing models</td>
<td></td>
</tr>
<tr>
<td>Business</td>
<td></td>
</tr>
<tr>
<td>• Consider the business systems required to collect the charge and the financial and compliance system and technology implications which result from the various models</td>
<td></td>
</tr>
</tbody>
</table>

Table 34.3: Implementation of appropriate pricing option – future milestones/output

<table>
<thead>
<tr>
<th>Future milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15 milestone</td>
<td>Under the proposal to COAG, if the reform is supported, a National Partnership Agreement will be developed in 2014.</td>
</tr>
<tr>
<td>ATC, Commonwealth, States and Territories</td>
<td></td>
</tr>
</tbody>
</table>


RTI Document No.291
<table>
<thead>
<tr>
<th>Future milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commonwealth, States and Territories to implement preferred option: completed by December 2014</td>
<td><strong>2018-19 milestone</strong></td>
</tr>
<tr>
<td><strong>Productivity Commission:</strong> Review impact of pricing option implementation (completed by December 2018)</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td>The proposed timeframes to implement are yet to be determined.</td>
</tr>
<tr>
<td>Implementation of appropriate pricing option</td>
<td></td>
</tr>
<tr>
<td><strong>Report Outcomes</strong></td>
<td></td>
</tr>
<tr>
<td>- Identification of detailed pricing scenarios and associated supporting frameworks</td>
<td></td>
</tr>
<tr>
<td>- Identification of preferred options for detailed cost benefit analysis – considering all the costs of implementation, e.g., political, economic, social, technological and environmental</td>
<td></td>
</tr>
<tr>
<td>- Work plan for implementation/next steps of policy options, including RIS requirements and proof of concept design</td>
<td></td>
</tr>
<tr>
<td><strong>Stakeholders/Industry Liaison</strong></td>
<td></td>
</tr>
<tr>
<td>- Coordinate and consult with key stakeholders across the reform</td>
<td></td>
</tr>
<tr>
<td>- Gather industry input and feed into ongoing development of feasibility study</td>
<td></td>
</tr>
<tr>
<td>- Lead negotiations between governments, transport operators and motorists</td>
<td></td>
</tr>
<tr>
<td>Future milestone/output</td>
<td>Risks/mitigation strategies</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 34.4: Review of implementation outcomes – future milestones/output**

<table>
<thead>
<tr>
<th>Future milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018-19 milestone</td>
<td></td>
</tr>
<tr>
<td>Productivity Commission:</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td>Review impact of pricing option implementation: completed by December 2018</td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td></td>
</tr>
<tr>
<td>Review of implementation outcomes</td>
<td></td>
</tr>
</tbody>
</table>

**Additional comments**
PART C: REGULATORY REFORM

35. Regulation making and review

The development and enhancement of existing processes for regulation making and review.

**Table 35.1: 2008–09 incomplete milestone**

<table>
<thead>
<tr>
<th>2008–09 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Australia and the ACT: Implement specific action commitments outlined in COAG's Apr 2007 Regulatory Reform plan (Appendix C) that were endorsed by BRCWG by 30 June 2009.</td>
<td>NOT APPLICABLE to the Queensland Response.</td>
</tr>
</tbody>
</table>

**Table 35.2: 2011–12 milestone**

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: agree terms of reference by December 2011 for a Productivity Commission benchmarking study of the efficiency and quality of both COAG and jurisdictional regulation impact assessment (RIA) processes as at January 2012.</td>
<td>COMPLETED Terms of reference for the benchmarking study were agreed by the BRCWG in November 2011 and received by the Productivity Commission on 28 February 2012.</td>
</tr>
</tbody>
</table>

**Table 35.3: Future milestones/output**

<table>
<thead>
<tr>
<th>Future milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–13 milestone Commonwealth: the Productivity Commission to complete its benchmarking study: by December 2012.</td>
<td>ON TRACK</td>
</tr>
<tr>
<td>All jurisdictions: respond to the Productivity Commission benchmarking study: by February 2013</td>
<td></td>
</tr>
<tr>
<td>Future milestone/output</td>
<td>Risks/mitigation strategies</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td></td>
</tr>
<tr>
<td>The development and</td>
<td></td>
</tr>
<tr>
<td>enhancement of existing</td>
<td></td>
</tr>
<tr>
<td>processes for regulation</td>
<td></td>
</tr>
<tr>
<td>making and review.</td>
<td></td>
</tr>
</tbody>
</table>

**Additional comments**
PART D: ADDITIONAL REGULATORY REFORMS

36. Legal profession

Regulatory reform of the legal profession

Table 36.1: 2010–11 incomplete milestones

<table>
<thead>
<tr>
<th>2010–11 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taskforce: Provide a final Bill, National Rules, decision RIS, Explanatory Memorandum and Intergovernmental Agreement for COAG’s consideration after the consultation period but before the end of 2010</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>Commonwealth: please confirm the date the final Bill, National Rules, decision RIS, Explanatory Memorandum and Intergovernmental Agreement were considered by COAG. Please provide copies of these documents.</td>
<td>NOT APPLICABLE to Queensland response.</td>
</tr>
<tr>
<td>All jurisdictions: Implementation and consequential amendments to be determined.</td>
<td>DELAYED NATIONALLY</td>
</tr>
<tr>
<td></td>
<td>Queensland is yet to decide whether it supports the national scheme.</td>
</tr>
</tbody>
</table>

Table 36.2: Output

<table>
<thead>
<tr>
<th>Output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal profession reform: establish uniform laws regulating the legal progression to enable legal practitioners and practices to operate in all Australian jurisdictions without having to meet multiple professional registration requirements.</td>
<td></td>
</tr>
</tbody>
</table>
Additional comments

On 25 July 2012 COAG agreed:

1. In response to the COAG Reform Council 2010-11 Report on SNE NP Performance that:-
   
a. the remaining milestone in the SNE NP Implementation Plan be amended to reflect COAG’s decision of August 2011 that the reform will be taken forward in New South Wales, Northern Territory, Queensland and Victoria only; and

   b. no further SNE NP milestones are needed as the timeframes for this reform are set out in the IGA, and are sufficient to deliver this reform;

2. That the Standing Council on Law and Justice will have responsibility for the oversight of this reform, beyond the completion of the SNE NP in December 2012, and that it will report directly to COAG on progress.

The Queensland government has not yet made a decision about participating in the IGA and reform.
37. Not-for-profit sector

Regulatory reform of the not-for-profit sector.

a. Standard Chart of Accounts (SCOA)

Table 37.1: 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining jurisdictions: Remaining jurisdictions adopt stage 1: 1 July 2011</td>
<td>Queensland understands that responsibility for oversight of the SCOA and Fundraising reforms have transferred from the BRCWG to the Standing Council on Federal Financial Relations. Therefore, reporting against the milestones under the Seamless National Economy report on performance is no longer required.</td>
</tr>
<tr>
<td>All jurisdictions: BRCWG consider options for ongoing review of national SCOA by mid 2011</td>
<td></td>
</tr>
</tbody>
</table>

Table 37.2: Future milestones/output

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012–13 milestone</td>
<td></td>
</tr>
<tr>
<td>All jurisdictions: BRCWG to consider next steps for stage 2 SCOA once a COAG decision on MCCA’s works on fundraising reform has been agreed: July 2012</td>
<td></td>
</tr>
<tr>
<td>Output</td>
<td>Standard Chart of Accounts (SCOA): all jurisdictions use nationally consistent accounting terms in their funding arrangements with not-for-profit organizations to reduce their financial reporting burden.</td>
</tr>
</tbody>
</table>
Additional comments
b. Fundraising regulation

Development of a nationally consistent approach to fundraising regulation which reduces the regulatory burden on the not-for-profit sector.

**Table 37.3: 2010–11 incomplete milestones**

<table>
<thead>
<tr>
<th>2010–11 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>All jurisdictions: Ministerial Council on Consumer Affairs (MCCA) to develop options for a nationally consistent approach to fundraising regulation: by December 2010</td>
<td>Commonwealth: please advise whether the MCCA has endorsed any options, and if so when.</td>
</tr>
<tr>
<td></td>
<td>Queensland understands that responsibility for oversight of the SCOA and Fundraising reforms have transferred from the BRCWG to the Standing Council on Federal Financial Relations. Therefore, reporting against the milestones under the Seamless National Economy report on performance is no longer required.</td>
</tr>
<tr>
<td>All jurisdictions: MCCA to draft consultation RIS and report to COAG, through BRCWG, on progress by February 2010</td>
<td>Commonwealth: please provide a copy of the progress report and confirm the date it was considered by BRCWG and then COAG.</td>
</tr>
<tr>
<td>All jurisdictions: MCCA to release consultation RIS for public comment by April 2011</td>
<td>Commonwealth: please provide a copy of the RIS and confirm the date it was released for public comment.</td>
</tr>
</tbody>
</table>
### Table 37.4: 2011–12 milestones

<table>
<thead>
<tr>
<th>2011–12 Milestone</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All jurisdictions:</strong> MCCA to report to COAG, through BRCWG, by October 2011 on progress of the decision RIS and a recommended way forward</td>
<td></td>
</tr>
<tr>
<td><strong>All jurisdictions:</strong> COAG to agree decision RIS by December 2011</td>
<td></td>
</tr>
</tbody>
</table>

### Table 37.5: Future milestones/output

<table>
<thead>
<tr>
<th>Milestone/output</th>
<th>Risks/mitigation strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012–13 milestone</strong></td>
<td></td>
</tr>
<tr>
<td>All jurisdictions: MCCA to report to COAG, through BRCWG, on implementation progress by July 2012</td>
<td></td>
</tr>
<tr>
<td><strong>Output</strong></td>
<td>Development of a nationally consistent approach to fundraising regulation which reduces the regulatory burden on the not-for-profit sector.</td>
</tr>
</tbody>
</table>

### Additional comments
PART E: ADDITIONAL COMMENTS
Appendix A: Chemicals and Plastics—early harvest reforms

<table>
<thead>
<tr>
<th>Table A.1:</th>
<th>2009–10 income milestone – early harvest reforms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Early harvest reforms</td>
</tr>
<tr>
<td><strong>Reform 5</strong></td>
<td>The Australian Government should progress industry reforms for regulating water sanitisers for industrial use.</td>
</tr>
<tr>
<td><strong>COAG decision:</strong></td>
<td>COAG agreed to the Australian Government progressing the review into industry reforms for regulating water sanitisers for industrial use and directed the Commonwealth to present recommendations on reforming regulation of these products for endorsement by the 2008 December COAG meeting.</td>
</tr>
<tr>
<td><strong>Commonwealth:</strong></td>
<td>please confirm the date COAG considered the recommendations from the Cth Department of Agriculture, Fisheries and Forestry.</td>
</tr>
<tr>
<td><strong>Reform 9</strong></td>
<td>Improve data protection provisions for agricultural product registrants.</td>
</tr>
<tr>
<td><strong>COAG decision:</strong></td>
<td>COAG agreed to the Commonwealth improving data protection provisions for agricultural product registrants, and directed the Ministerial Taskforce on Chemicals and Plastics to report on the</td>
</tr>
<tr>
<td>Early harvest reforms</td>
<td>Progress report</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Commonwealth</strong>; please confirm the correct title of the legislation and the dates it was introduced into, and passed through the Commonwealth Parliament.</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
</tbody>
</table>

**Reform 18**

The Australian Government should progress industry reforms for regulating hard surface disinfectants for hospital, industrial and domestic use and report progress to COAG

**COAG decision:** COAG noted that the Commonwealth is progressing the industry reforms for regulating hard surface disinfectants for hospital, industrial and domestic use arising from the response to the Banks Report of 2006, and called for a progress report to the COAG October 2008 meeting.
### Appendix B: Chemicals and Plastics – Ministerial Council implementation plans

#### Table 16.4: Milestones within implementation plans

<table>
<thead>
<tr>
<th>Milestones within implementation plans</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace Relations Ministers’ Council - Major Hazard Facilities</td>
<td></td>
</tr>
</tbody>
</table>

**Incomplete milestones**

- **Workplace Relations Ministers:** Model WHS Act endorsed by Workplace Relations Ministers Council (December 2009)

**Safe Work Australia:** Model regulations on Major Hazard Facilities endorsed by Workplace Relations Ministers as part of package of model WHS regulations: mid 2011

**Commonwealth:** please confirm the date the model regulations on Major Hazard Facilities were endorsed by Workplace Relations Ministers.

- **2011–12 milestones**

  - NOT APPLICABLE to Queensland response

  - COMPLETED

  The Queensland *Work Health and Safety Act 2011*, which gives
## Milestones within implementation plans


---

### Workplace Relations Ministers’ Council - Globally Harmonised System of Classification and Labeling of Chemicals

#### Incomplete milestones

| Safe Work Australia: Model OHS Act endorsed by WRMC: December 2009 |
| Safe Work Australia: Model regulations on workplace chemicals endorsed by Workplace Relations Ministers as part of package of model WHS regulations: mid 2011 |

*Commonwealth: please confirm the date the model regulations on workplace chemicals were endorsed by Workplace Relations Ministers.*

#### 2011–12 milestone

<p>| All jurisdictions: model WHIS laws commence in | COMPLETED The Queensland <em>Work Health and Safety Act 2011</em>, which gives effect to the model WHS Act, was Assented on 6 June 2011 and commenced on 1 January 2012. The new Act repealed the |</p>
<table>
<thead>
<tr>
<th>Milestones within implementation plans</th>
<th>Progress report</th>
</tr>
</thead>
</table>

**Workplace Relations Ministers’ Council – review of Safe Work Australia**

<table>
<thead>
<tr>
<th>Future Milestone</th>
<th>NOT APPLICABLE to Queensland response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace Relations Ministers: Safe Work Australia commenced operation as the body replacing the Australian Safety and Compensation Council on 1 November 2009. Under the Inter-Governmental Agreement for Regulatory and Operational Reform in Occupational Health and Safety, a review is to be conducted no later than the sixth anniversary of the commencement of the <em>Safe Work Australia Act 2008</em>, which commenced on 18 September 2009. The scope of the review will encompass the matters contained in Recommendation 6.4 as agreed by COAG (no later</td>
<td></td>
</tr>
<tr>
<td>Milestones within implementation plans</td>
<td>Progress report</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>than 18 September 2015)</td>
<td></td>
</tr>
<tr>
<td><strong>Workplace Relations Ministers’ Council – explosives legislation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Incomplete milestone</strong></td>
<td><strong>NOT APPLICABLE to Queensland response</strong></td>
</tr>
<tr>
<td>APER/Safe Work Australia: Safe Work Australia will consider a proposal for harmonising explosives legislation across Australia. This will include seeking WRMC and COAG agreement to governance arrangements for the process, taking account of the range of policy agencies and ministerial councils that have some interest in explosives safety and security policy and regulation*: December 2010</td>
<td></td>
</tr>
<tr>
<td>*Note that further implementation plan milestones can be developed following the outcome of COAG’s consideration on harmonised explosives legislation.</td>
<td></td>
</tr>
<tr>
<td>National Transport Commission: The ATC to report to COAG through BRCWG on the progress of the review by June 2011.</td>
<td><strong>NOT APPLICABLE to Queensland response</strong></td>
</tr>
<tr>
<td><strong>Primary Industries Ministerial Council – Agvet chemicals reforms</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Deferred 2010–11</strong></td>
<td>The April 2012 COAG endorsed recommendations agreed by</td>
</tr>
<tr>
<td>Milestones within implementation plans</td>
<td>Progress report</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Relevant Commonwealth and state and territory ministers: consideration of regulatory model, intergovernmental agreement, COAG decision RIS, funding model and updated implementation plan: December 2012.</td>
<td>BRCWG, informed by SCOC Secretariat’s Review which was completed in November 2011.</td>
</tr>
</tbody>
</table>

**NOTE:** On 13 April 2012 COAG agreed to defer this milestone to December 2012.

- **COAG/BRCWG:**

  COAG consideration, through the BRCWG: December 2012

  **NOTE:** On 13 April 2012 COAG agreed to defer this milestone to December 2012.

  The April 2012 COAG endorsed recommendations agreed by BRCWG informed by SCOC Secretariat’s Review which was completed in November 2011.

  With respect to the regulation of agricultural and veterinary chemical products it was agreed to defer this reform milestone to December 2012 to allow additional time for the delivery of this reform.

Environment Protection and Heritage Council

- **NChEM working group:**

  Consultation Regulation Impact Statement (RIS) development and

  **DELAYED:**

  Funding for the RIS was approved in December 2010, and a consultation RIS is currently under development. However, the current Better Regulation Ministerial Partnership (BRMP) Review of the National Industrial Chemicals Notification and...
<table>
<thead>
<tr>
<th>Milestones within implementation plans</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>public consultation for recommendations 9.1, 9.2 and 9.3 by February 2012</td>
<td>Assessment Scheme (the NICNAS Review) has very significant implications for progressing the SCEW environmental chemicals reforms. The COAG-endorsed principal SCEW reform is intended to develop a mechanism for Commonwealth, state and territory environment ministers to develop and implement risk management decisions to protect the environment from harmful chemicals. These decisions will rely upon hazard and risk management assessments of the chemicals done through the NICNAS process. If the NICNAS process were to be changed, there would be flow on effects for the SCEW reforms.</td>
</tr>
<tr>
<td>Contrary to the Productivity Commission’s recommendations considered by COAG, the NICNAS Discussion Paper proposes an extension of NICNAS’s risk management powers over new chemicals. If the CRIS analysis is based on the current NICNAS process and this process changes, the cost/benefit analysis may become outdated and inaccurate and the options may need to be reworked to better fit into the new NICNAS system.</td>
<td></td>
</tr>
<tr>
<td>Despite the delays caused by the NICNAS Review, the Decision RIS for the SCEW reforms may still be ready for Cabinet consideration by December 2012 with implementation steps (such as tabling of draft bills) being pursued in 2013.</td>
<td></td>
</tr>
<tr>
<td>The Senior Officials Committee to SCEW made a submission to the BRMP Review of NICNAS providing its views on the functions of NICNAS and their relationship to the environmental reforms.</td>
<td></td>
</tr>
<tr>
<td>SCEW are keen to see progress on the NICNAS reforms that enable a consistent and cohesive system, and which will work in harmony with the environmental reforms 9.1-9.3 already agreed by COAG.</td>
<td></td>
</tr>
<tr>
<td>NChEM working group: Decision RIS development by Mid 2012</td>
<td>As above.</td>
</tr>
<tr>
<td>Standing Council on Environment and Water: Ministerial Council considers the Decision RIS and resolves</td>
<td>As above.</td>
</tr>
<tr>
<td>Milestones within implementation plans</td>
<td>Progress report</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>preferred model for advisory body (9.2), approach to environmental labeling (9.1) and performance measurement framework (9.3), and any necessary national agreement by Sept 2012</td>
<td>As above.</td>
</tr>
<tr>
<td>Commonwealth followed by states and territories: Preparation of draft bills</td>
<td></td>
</tr>
</tbody>
</table>

**National Industrial Chemicals Notification and Assessment Scheme**

<p>| NICNAS/DoHA/D oFD: Develop and implement cost-recovery arrangements through the cost recovery impact statement (CRIS), subject to Government agreement by June 2012. | NOT APPLICABLE to Queensland response |
| NICNAS/DoHA: Legislative change (dependent on outcomes from CRIS) by June 2013 | NOT APPLICABLE to Queensland response |</p>
<table>
<thead>
<tr>
<th>Milestones within implementation plans</th>
<th>Progress report</th>
</tr>
</thead>
<tbody>
<tr>
<td>NICNAS: Planning for implementing first stage of the project by June 2012.</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td>NICNAS: Implementation and review of the first stage of the project by June 2016.</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td>Australian Health Ministers’ Conference—Reforms to separate poisons and medicines scheduling processes</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td>National Coordinating Committee on Therapeutic Goods (NCCTG): Separation of poisons and medicines scheduling processes implemented by 1 July 2010</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td>NCCTG Review framework developed by July 2012</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td>NCCTG: Review conducted and finalised by March 2013</td>
<td>NOT APPLICABLE to Queensland response</td>
</tr>
<tr>
<td>Australian Health Ministers’ Conference—uniform adoption of national poison scheduling decisions and a nationally consistent approach to regulating poisons</td>
<td></td>
</tr>
<tr>
<td>States and Territories: All decisions relating to poisons scheduling adopted by reference: Ongoing</td>
<td></td>
</tr>
<tr>
<td>AHMC: Approval of project proposal to develop uniform controls over</td>
<td></td>
</tr>
<tr>
<td>Milestones within implementation plans</td>
<td>Progress report</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>poisons by May 2011</td>
<td></td>
</tr>
<tr>
<td>NCCTG: Development of Consultation RIS for: uniform controls; standard provision for adoption by reference by jurisdictions; and agreed option for documentation and updating of uniform controls either through SUSMP or equivalent mechanism by March 2012</td>
<td></td>
</tr>
<tr>
<td>NCCTG: Consultation with stakeholders by April 2012</td>
<td></td>
</tr>
<tr>
<td>AHMC: Approval of Decision RIS by June 2012</td>
<td></td>
</tr>
<tr>
<td>DOHA: Implementation of agreed option for documentation and updating of uniform controls through SUSMP or equivalent mechanism by “at next meeting (not scheduled)”</td>
<td></td>
</tr>
<tr>
<td>States and Territories: implementation of standard provision to adopt uniform</td>
<td></td>
</tr>
<tr>
<td>Milestones within implementation plans</td>
<td>Progress report</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>controls by reference by December 2012</td>
<td></td>
</tr>
<tr>
<td>Enabling legislation commences in jurisdictions by 12 months after commencement</td>
<td></td>
</tr>
<tr>
<td>NCCTG: Development of reporting framework for variations to agreed controls by December 2012</td>
<td></td>
</tr>
<tr>
<td><strong>Australian Health Ministers’ Conference</strong>—exemption of workplace users from poisons controls where a poison is adequately covered under workplace substances regulations</td>
<td></td>
</tr>
<tr>
<td>Labelling—poisons currently utilized solely for industrial use exempt from labelling requirements of SUSMP (ongoing)</td>
<td></td>
</tr>
</tbody>
</table>
List of Attachments

<table>
<thead>
<tr>
<th>Attachment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>NOLS report to COAG on reform progress – July 2012</td>
</tr>
<tr>
<td>B</td>
<td>Report to BRCWG on Oil and Gas reform progress – February 2012</td>
</tr>
</tbody>
</table>
Licences of Tradespeople

National Partnership Agreement Implementation Plan milestones:

2010-11

- All (except host): enact referencing legislation by December 2010
- All: establish the new national licensing body by January 2011
- All: board and CEO appointed by June 2011
- MCFFR: report to COAG, through BRCWG, on reform progress by June 2011

2011-12

- MCFFR: report to COAG, through BRCWG, on reform progress by June 2012
- New licensing body to finalise policy for first tranche of selected priority trades for approval by Ministerial Council by December 2011

Current progress against the milestones

Legislation

- The Occupational Licensing National Law Act 2010 (the National Law) has passed both houses of Parliament and received Royal Assent in Victoria on 28 September 2010.
- As at 30 May 2012 the National Law:
  - has been passed in NSW, Queensland, South Australia, Tasmania; and Northern Territory
  - has been passed by the Western Australian Legislative Assembly on 24 November 2010 and introduced into the Legislative Council on 25 November 2010. On 14 April 2011 the Standing Committee on Uniform Legislation and Statutes presented its Review in relation to the National Law and concluded that the Occupational Licensing National Law (WA) Bill 2010 should not in its current form be passed. The Western Australian government responded to the Review in June 2011 by announcing that it would not proceed with passing the Bill in its current form but would await the settling of the regulations before making a decision.
  - has not been introduced into the parliament of the Australian Capital Territory, which has reserved its right not to implement the licensing due to the possible financial impact on the Australian Capital Territory.
• Amendments to the National Law are necessary as it was drafted prior to development of the details of the licensing scheme and some of the concepts and terminology in the Law are inconsistent with the licensing policy.

• Occupational specific schedules to the National Law will contain the licence categories, definitions of regulated work, eligibility requirements and exemptions. Other details such as qualification requirements will be in occupational specific regulations for plumbing and gas fitting; electrical; refrigeration and air-conditioning and property. The General Regulation includes matters relating to jurisdictional regulators, the national register and other general matters.

• Consultation regulation impact statements (RISs) for all four first tranche occupations are currently being finalised in consultation with all jurisdictions. A public consultation period of six weeks will follow the release of the RISs, including face to face sessions in each capital city.

Establishment of the National Occupational Licensing Authority (NOLA)

• NOLA has been established as a business entity, including:
  
  o ABN registration;
  o Business name registration;
  o Registration with the Australian Taxation Office; and
  o Submission of trademark registration.

NOLA location

• The then MCFFR agreed on Sydney as the NOLA location in April 2011, and this was subsequently agreed by COAG through an exchange of letters from the Treasurer as Chair of MCFFR to the Prime Minister and Chair of COAG.

• After conducting an approach to the market, NOLA has taken up temporary accommodation in NSW Government space in the Sydney CBD. Long term accommodation options are currently being considered.

Agreement to funding for NOLA for 2011-12 and 2012-13

• On 7 April 2011 the then MCFFR agreed funding for NOLA of $14.9 million over two years for 2011-12 and 2012-13. The budget incorporates uncommitted balances from the Special Account to defray particular expenses associated with property fit out and technology purchases.

• With the establishment of the NOLA Board, planning is under way to undertake a transition of funds from the Special Account to NOLA.

• Revised budgets reflecting NOLA’s establishment will be submitted to SCFFR for their approval.

Appointment of National Occupational Licensing Authority (NOLA) Board and CEO

• Appointment of the NOLA Board was conducted through an exchange of letters in line with a decision of the then Ministerial Council for Federal Financial Relations
The Board comprises the Chair (Ms Elizabeth Crouch), two regulator members (Mr David Ford from Queensland and Ms Anne Gale from South Australia) and six other members (Mr Graham Anderson, Mr Tony Arnel, Ms Miranda Douglas-Crane, Mr Albert Koenig, Ms Wendy Machin and Mr John Sutton).

The first meeting of the NOLA Board was on 7/8 February 2012 and the Board have met monthly since that time.

The NOLA Board has recommended their preferred CEO candidate to the Standing Council on Federal Financial Relations (SCFFR) for appointment.

Letters from the Treasurer were sent to the other members of the SCCFR on 16 May 2012 and were received by the jurisdictions on or around 21 May 2012. As of 5 June 2012 the SCCFR has yet to finalise their decision on the appointment.

Development of the IT system and national register

- Contract negotiations with the preferred provider NSW GLS have concluded, with the contract being signed in December 2011.

- NSW GLS are progressing with the development of the national register and a number of contractual payments have been made to them from the NOLS Special Account. The national register is scheduled for release by December 2012.

- Delays in settling policy positions and finalising regulations have resulted in some risk to both the delivery of the national register and the ability for jurisdictions to interface to it. Emerging changes may require development and testing effort that will impact of the project timelines.

Commencement

- After its meeting on 13 April 2012, COAG announced that, due to the complexity of the reform, it would commence in 2013. COAG committed to release the Consultation Regulation Impact Statements for each of the first tranche occupations (electrical, plumbing and gas-fitting, property and refrigeration and air-conditioning) in the first half of 2012 so that stakeholders are able to comment on the options for the detailed licensing schemes for each occupation, which include the status quo, national licensing and automatic mutual recognition.

Likely status of reforms against the milestones as at 30 June 2012.

Legislation

- It is expected that draft legislation should be ready for consideration by the Steering Committee towards the end on June 2012 after which it will be submitted for jurisdictional Cabinet approval for release for consultation.
• It is expected that:
  - all jurisdictions will have approved the release of the electrical regulation impact statement by 30 June 2012.
  - all the remaining regulation impact statements (plumbing and gas-fitting, property and refrigeration and air-conditioning) will be provided to the jurisdictions by 30 June 2012 for approval for public release.

Appointment of National Occupational Licensing Authority (NOLA) Board and CEO
• The CEO appointment is being considered by the SCFFR out of session.

Agreement to funding for NOLA for 2011-12 and 2012-13
• A revised budget for the NOLA is expected to be drafted by 30 June 2012 for subsequent consideration by the SCFFR.

IT arrangements
• Work will be undertaken to respond to the issues, arising from delays in settling legislation and regulations, which are putting timely development of the national register at risk.
# UPSTREAM PETROLEUM AND OFFSHORE MINERALS WORKING GROUP

## REVIEW OF STATE AND TERRITORY PETROLEUM LEGISLATION APPLYING TO COASTAL WATERS AND ONSHORE AREAS

### Western Australia

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acts</strong></td>
<td></td>
</tr>
<tr>
<td>Petroleum (Submerged Lands) Act 1982</td>
<td>Submission to remove NOPSA’s powers and functions under consideration.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulations</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum (Submerged Lands) Diving Safety Regulations 2007</td>
<td>Commenced 28 March 2007</td>
</tr>
<tr>
<td>Petroleum (Submerged Lands) (Management of Well Operations) Regulations 2006</td>
<td>Commenced 4 April 2006 and revised 17 January 2009</td>
</tr>
<tr>
<td>Petroleum (Submerged Lands) (Occupational Safety and Health) Regulations 2007</td>
<td>Commenced 28 March 2007</td>
</tr>
<tr>
<td>Petroleum (Submerged Lands) (Pipelines) Regulations 2007</td>
<td>Commenced 28 March 2007</td>
</tr>
<tr>
<td>Petroleum (Submerged Lands) Registration Fees Regulations 1990</td>
<td>Commenced in 1990 and amended each time fees are amended. The latest was a 3% CPI increase on 1 July 2011</td>
</tr>
<tr>
<td>Petroleum (Submerged Lands) Regulations 1990</td>
<td>Commenced in 1990 and amended each time fees are amended. The latest was a 3% CPI increase on 1 July 2011</td>
</tr>
<tr>
<td>Petroleum (Submerged Lands) (Environment) Regulations 2011</td>
<td>Second draft of regulations received and comments and notes from Parliamentary Counsel’s Office currently being considered.</td>
</tr>
<tr>
<td>Legislation</td>
<td>Status</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Regulations cont’d</strong></td>
<td></td>
</tr>
<tr>
<td>Regulations 2012</td>
<td></td>
</tr>
<tr>
<td>Petroleum and Geothermal Energy Resources (Management of Safety) Regulations 2010</td>
<td>Commenced 15 May 2010</td>
</tr>
<tr>
<td>Petroleum and Geothermal Energy Resources (Occupational Safety and Health) Regulations 2010</td>
<td>Commenced 15 May 2010</td>
</tr>
<tr>
<td>Petroleum and Geothermal Energy Resources (Registration Fees) Regulations 1990</td>
<td>Commenced in 1990 and amended each time fees are amended. The latest was a 3% CPI increase on 1 July 2011</td>
</tr>
<tr>
<td>Petroleum and Geothermal Energy Resources Regulations 1987</td>
<td>Commenced in 1987 and amended each time fees are amended. The latest was a 3% CPI increase on 1 July 2011</td>
</tr>
<tr>
<td>Petroleum and Geothermal Energy Resources (Environment) Regulations 2011</td>
<td>First draft of regulations received and comments and notes from Parliamentary Counsel's Office currently being considered.</td>
</tr>
<tr>
<td>Petroleum Pipelines (Management of Safety of Pipelines Operations) Regulations 2010</td>
<td>Commenced 15 May 2010</td>
</tr>
<tr>
<td>Petroleum Pipelines (Occupational Safety and Health) Regulations 2010</td>
<td>Commenced 15 May 2010</td>
</tr>
<tr>
<td>Petroleum Pipelines Regulations 1970</td>
<td>Commenced in 1970 and amended each time fees are amended. The latest was a 3% CPI increase on 1 July 2011</td>
</tr>
<tr>
<td>Petroleum Pipelines (Environment) Regulations 2011</td>
<td>First draft of regulations to be prepared once PSL and PGER Environment Regulations have been finalised.</td>
</tr>
</tbody>
</table>
South Australia

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Status</th>
</tr>
</thead>
</table>
| Acts                                             | The Petroleum Act 2000 was amended on 1 October 2009 to become the Petroleum and Geothermal Energy Act 2000 (PGEA). The PGEA regulates exploration for, and the recovery or commercial utilisation of petroleum and certain other resources, including gas storage and geothermal energy both on land and in waters within gulfs and bays inside South Australia's baseline. Amendments made in 2009 address both administrative matters identified since 2000 and emerging issues in the petroleum and geothermal industry sectors, including carbon capture and storage. The PGEA Act embraces six key principles of certainty, openness, transparency, flexibility, practicality and efficiency, and represents a significant departure from the resource management requirements in the preceding Petroleum Act 1940. The Act is now 76 pages in length with the supporting regulations. As has already been reported to Parliament, the Productivity Commission Review on Regulatory Burden on the Upstream Petroleum Industry in Australia highlights South Australia's approach to regulation of the upstream petroleum sector, as a working example of best practice regulation, that is regulation which imposes the least burden necessary to achieve the policy goals underlying the regulation, bringing the greatest possible net benefit to the community. Industry participants' feedback confirms support for objective-based legislation rather than prescriptive legislation. It suggests that South Australia has a relatively straightforward regulatory system, which could be considered a benchmark for other jurisdictions. The Australian Petroleum Production and Exploration Association (APPEA) considers the SA legislation to be simple to follow and administer. APPEA commented:  

... "the South Australian Petroleum Act 2000 is simple to follow and regulate. This principal legislation is 61 pages long and the subordinate regulations 41 pages in length. While the length of the legislation may not be a critical factor in assessing the appropriateness of legislative frameworks, the ease of comprehension of the legislation and its purpose are discernable factors when reading the SA legislation". |
### Legislation

<table>
<thead>
<tr>
<th>Acts cont’d</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum (Submerged Lands) Act 1982</td>
<td>The Petroleum (Submerged Lands) Act 1982 (&quot;State PSLA&quot;) makes provision with respect to the exploration for and exploitation of the petroleum resources, and certain other resources of submerged lands within 3 nautical miles seaward of South Australia's baseline (normally the low water mark). This Act was last amended in 2005. Those amendments mirrored, as far as was practicable and necessary at the time, amendments to the (Commonwealth) Petroleum Submerged Lands Act 1967 (&quot;Cwlth PSLA&quot;) which is now the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGSA).</td>
</tr>
<tr>
<td></td>
<td>It is necessary for SA to amend its coastal waters legislation in view of significant recent changes to the OPGGSA e.g. carbon capture and storage. At this stage our preferred option is to extend the scope of the onshore objective-based PGEA to include offshore coastal waters.</td>
</tr>
<tr>
<td></td>
<td>The PGE Act already legislates for petroleum, geothermal and carbon capture and storage operations over large areas of sea (e.g. Gulfs St Vincent and Spencer, plus numerous bays). The area of coastal waters provided for under the existing State PSLA is a 3nm wide corridor that runs the length of South Australia's coast.</td>
</tr>
<tr>
<td></td>
<td>SA is currently awaiting advice from the South Australian Crown Solicitor's Office in respect to the practicality of extending the PGEA onshore legislation to include the coastal waters presently the subject of the Petroleum (Submerged Lands) Act 1982.</td>
</tr>
</tbody>
</table>

### Regulations

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum and Geothermal Energy Regulations 2000</td>
<td>- Refer to commentary for Petroleum and Geothermal Energy Act 2000</td>
</tr>
<tr>
<td>Petroleum (Submerged Lands) Regulations 2005</td>
<td>- Refer to commentary for Petroleum (Submerged Lands) Act 1982</td>
</tr>
<tr>
<td>Legislation</td>
<td>Status</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><em>Acts</em></td>
<td><strong>Minerals Resources Development Act 1995</strong> Onshore exploration for all minerals, including petroleum and coal seam gas is administered and managed under the <em>Minerals Resources Development Act 1995</em>. Exploration licences for petroleum, coal seam gas or geothermal substances include a schedule as part of the conditions of the licence. The <em>Schedule for Onshore Exploration for petroleum, Coal Seam Gas and Geothermal Substances</em> is based on the Victorian objective based regulations governing such activities, but includes some prescriptive elements relating to the content of reports which were based on South Australian reporting requirements.</td>
</tr>
<tr>
<td><em>Tasmanian Petroleum Submerged Lands Act 1982</em></td>
<td>There is only one pipeline licence in existence under the <em>Tasmanian Petroleum Submerged Lands Act 1982</em> (PSLA). This is the only title ever issued under this Act. No exploration permits have ever been granted. Indeed, there have been no applications for exploration permits under this Act in the thirty years it has been in force. With little prospect of exploration activity in this area, the revision of the Tasmanian PSLA is of low priority and will be attended to as and when resources permit.</td>
</tr>
<tr>
<td>Legislation</td>
<td>Status</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Petroleum (Submerged Lands) (Diving Safety) Regulations 2008</strong> (S.R. 2008, No. 59).</td>
<td>These Regulations, which mirror the Commonwealth’s objective based Regulations have been introduced under the PSLA. Tasmania engaged the services of the Commonwealth to draft these Regulations. It is intended that once the Commonwealth Regulations have been consolidated, a mirrored version will be introduced under the Tasmanian PSLA as resources permit.</td>
</tr>
<tr>
<td><strong>Petroleum (Submerged Lands) (Management of Environment) Regulations 2002</strong> (S.R. 2002, No. 67)</td>
<td>These Regulations, which mirror the Commonwealth’s objective based Regulations have been introduced under the PSLA. Tasmania engaged the services of the Commonwealth to draft these Regulations. It is intended that once the Commonwealth Regulations have been consolidated, a mirrored version will be introduced under the Tasmanian PSLA as resources permit.</td>
</tr>
<tr>
<td><strong>Petroleum (Submerged Lands) (Management of Safety on Offshore Facilities) Regulations 2008</strong> (S.R. 2008, No. 60)</td>
<td>These Regulations, which mirror the Commonwealth’s objective based Regulations have been introduced under the PSLA. Tasmania engaged the services of the Commonwealth to draft these Regulations. It is intended that once the Commonwealth Regulations have been consolidated, a mirrored version will be introduced under the Tasmanian PSLA as resources permit.</td>
</tr>
<tr>
<td><strong>Petroleum (Submerged Lands) (Occupational Health and Safety) Regulations 2008</strong> (S.R. 2008, No. 61)</td>
<td>These Regulations, which mirror the Commonwealth’s objective based Regulations have been introduced under the PSLA. Tasmania engaged the services of the Commonwealth to draft these Regulations. It is intended that once the Commonwealth Regulations have been consolidated, a mirrored version will be introduced under the Tasmanian PSLA as resources permit.</td>
</tr>
<tr>
<td><strong>The Petroleum (Submerged Lands) (Management of Environment) Regulations 2002</strong> (S.R. 2002, No. 67)</td>
<td>These Regulations will expire in June 2012. Arrangements are being made to draft replacement regulations which will mirror the current equivalent Commonwealth regulations.</td>
</tr>
<tr>
<td><strong>Petroleum (Submerged Lands) ( Pipelines) Regulations 2008</strong> (S.R. 2008, No. 62)</td>
<td>These Regulations, which mirror the Commonwealth’s objective based Regulations have been introduced under the PSLA. Tasmania engaged the services of the Commonwealth to draft these Regulations. It is intended that once the Commonwealth Regulations have been consolidated, a mirrored version will be introduced under the Tasmanian PSLA as resources permit.</td>
</tr>
</tbody>
</table>

*Northern Territory*
<table>
<thead>
<tr>
<th>Legislation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acts</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Petroleum Act</strong></td>
<td>We have performed an in-house review of both the onshore and coastal waters legislation and there are no plans at the moment to amend. The priorities list of drafting does not include them this year. Although certain smaller amendments may occur.</td>
</tr>
<tr>
<td><strong>Petroleum (Submerged Lands) Act</strong></td>
<td>We have performed an in-house review of both the onshore and coastal waters legislation and there are no plans at the moment to amend. The priorities list of drafting does not include them this year. Although certain smaller amendments may occur.</td>
</tr>
<tr>
<td><strong>Regulations</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Petroleum Regulations</strong></td>
<td>We have performed an in-house review of both the onshore and coastal waters legislation and there are no plans at the moment to amend. The priorities list of drafting does not include them this year. Although certain smaller amendments may occur.</td>
</tr>
<tr>
<td><strong>Petroleum (Submerged Lands) Regulation</strong></td>
<td>We have performed an in-house review of both the onshore and coastal waters legislation and there are no plans at the moment to amend. The priorities list of drafting does not include them this year. Although certain smaller amendments may occur.</td>
</tr>
</tbody>
</table>
### New South Wales

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum (Offshore) Act 1982 No 23</td>
<td>Commenced 31 January 1986 (some sections of Act commenced at later dates).</td>
</tr>
<tr>
<td>Petroleum (Onshore) Act 1991 No 84</td>
<td>Commenced 21 August 1992</td>
</tr>
</tbody>
</table>
| Environmental Planning and Assessment Act 1979 No 203                     | Commenced 1 September 1980 (some sections of Act commenced at later dates). Act extends over coastal waters. Act is implemented through a number of State Environmental Planning Policies, some of which impact on petroleum activities, such as:  
- State Environmental Planning Policy (Major Development) 2005  
- State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 |
| Pipelines Act 1967 No 90                                                 | Commenced 1 July 1972 - Only covers onshore areas. Offshore pipelines are regulated under the Petroleum (Offshore) Act 1982 |

#### Regulations

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum (Offshore) Regulation 2006</td>
<td>Commenced 1 September 2006</td>
</tr>
<tr>
<td>Petroleum (Onshore) Regulation 2007</td>
<td>Commenced 1 September 2007</td>
</tr>
<tr>
<td>Environmental Planning and Assessment Regulation 2000</td>
<td>Commenced 8 September 2000</td>
</tr>
<tr>
<td>Pipelines Regulation 2005</td>
<td>Commenced 1 September 2005</td>
</tr>
</tbody>
</table>

### Queensland
<table>
<thead>
<tr>
<th>Legislation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acts</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Petroleum Act 1923</strong></td>
<td>Due to various reasons, the Petroleum Act 1923 (the 1923 Act) could not be superseded by the Petroleum and Gas (Production and Safety) Act 2004 (the 2004 Act) when the 2004 Act commenced on 31 December 2004. Therefore, both Acts administer onshore petroleum tenure. Petroleum tenure are authorities to prospect (ATPs, the petroleum exploration permit) and petroleum leases (the petroleum production tenure). However, amendments were made to the 1923 Act, at the same time as the commencement of the 2004 Act, to align the provisions of both Acts as far as was allowable. The 1923 Act has sunset clauses therein. For example, any ATP that is administered under the 1923 Act, cannot continue under the 1923 Act after 1 November 2021. Amendments to the 2004 Act are generally reflected in the 1923 Acts. Therefore, any amendments proposed to be made to the 2004 Act (as detailed below) will, as far as is allowable, be reflected in the 1923 Act.</td>
</tr>
<tr>
<td><strong>Petroleum and Gas (Production and Safety) Act 2004</strong></td>
<td>The Petroleum and Gas (Production and Safety) Act 2004 (the 2004 Act) administers onshore petroleum tenure and authorities. Petroleum tenure are authorities to prospect (ATPs, the petroleum exploration permit) and petroleum leases (PLs, the petroleum production tenure). Petroleum authorities are petroleum tenure, data acquisition authorities (granted for the acquisition of scientific surveys outside, but contiguous, to the area of an ATP or PL), survey licences (allowing entry to land to determine pipeline routes), pipeline licences and petroleum facility licences. Currently, there is a large, resource intensive, project called the Streamlining Project (the Project) being conducted by Mines, Queensland Department of Employment, Economic Development and Innovation (DEEDI). The Project aims to improve the efficiency and transparency of the way business is conducted with the petroleum industry. In collaboration with the Queensland Department of Environment and Resource Management (DERM), Mines, DEEDI is taking a customer-centric approach to business that will change the way the Queensland Government services and manages the resources sector. Initial work</td>
</tr>
</tbody>
</table>
began on the Project in 2009, to streamline the mining and petroleum exploration and development approval process, and continues today. One of the overarching principles of the Project is to revise all resource (including petroleum) legislation to support simplified, improved processes the need to reduce the regulatory burden.

With this in mind, Mines, DEEDI has kept a “watching brief” on the amendments made to the Offshore Petroleum and Greenhouse Gas Storage Act 2009 (OWith) and its related legislation (the Commonwealth legislation), emanating from the recommendations of the Productivity Commission Review into the Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector.

This “watching brief” highlighted the amendments to the Commonwealth legislation, that:
- were analogous with provisions of the 2004 Act and
- could assist the project in reducing the regulatory burden of the 2004 Act.

These highlighted amendments are being considered in the overall context of the project.

<table>
<thead>
<tr>
<th><strong>Petroleum (Submerged Lands) Act 1982</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Petroleum (Submerged Lands) Act 1982 (the PSLA) applies to the administration of petroleum tenements in the coastal waters of Queensland.</td>
</tr>
<tr>
<td>Since the inception of the PSLA, there have been no petroleum tenements granted under the PSLA. Testament to this is that no subordinate legislation has been made for the PSLA.</td>
</tr>
<tr>
<td>There are a number of reasons why no petroleum tenements have been granted under the PSLA, but the primary reason is that most of Queensland’s coastal waters are declared marine parks; the largest of these being the Great Barrier Reef, which is also a World Heritage listed site.</td>
</tr>
<tr>
<td>Due to this fact, and a concentration of government resources on the Project (as detailed above) there is little political or executive incentive to amend the PSLA. It is certainly not on the list of Queensland resources legislation that requires urgent review.</td>
</tr>
<tr>
<td>However, realising the importance of building a nationally consistent approach to petroleum legislation, any future revision of the PSLA will likely reflect the provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2009 (OWith) and its related legislation as a virtual carbon copy.</td>
</tr>
<tr>
<td>Regulations</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>Petroleum Regulation 2004</td>
</tr>
<tr>
<td>Legislation</td>
</tr>
<tr>
<td>--------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Acts</strong></td>
</tr>
<tr>
<td><strong>Regulations</strong></td>
</tr>
</tbody>
</table>
BRIEFING NOTE

FROM	Treasury and Trade
FOR	Treasurer and Minister for Trade
SUBJECT	Public release of Office of Best Practice Regulation (OBPR) Reports

Contact Officer: Maire Ingram RRB, 07 303 51493
Record No: TRY-02190
Date: 19/10/12
Requested by: NIA

Date Approval Required By: / /

PURPOSE

1. The purpose of this submission is to seek your approval of a proposed approach regarding the public release of certain reports prepared by the Queensland Office of Best Practice Regulation (OBPR).

BACKGROUND

2. The OBPR is currently undertaking the following reviews in accordance with the direction notices issued by you and the Attorney-General and Minister for Justice under section 10(e) of the Queensland Competition Authority Act 1997 (QCA Act):


- **Investigation and report on requirements for water tanks and other water savings devices that apply to houses and new commercial and industrial buildings** - Final Report due 1 November 2012;

- **Review of National Reform on Commercial Vessel Safety** - Final Report due 31 October 2012; and


3. The QCA has enquired about the Government’s expectations regarding the public release of these forthcoming section 10(e) reports.

ISSUES

Public release of section 10(e) reports

4. The QCA Act does not specify a process for the public release of reports prepared by the Queensland Competition Authority (QCA) in accordance with a section 10(e) direction notice. Arrangements for the release of section 10(e) reports are ordinarily specified in the relevant direction notice.

5. As the QCA is subject to the written directions of the Ministers in performing its functions (in accordance with section 12 of the QCA Act), the QCA must comply with the reporting instructions specified in a section 10(e) direction notice. Therefore, the QCA is unable to publicly release a section 10(e) report unless the direction notice specifically permits it.
6. It should also be noted that the QCA Act provides some general protections against the public release of certain information (e.g. cabinet and commercially sensitive material). Even if a section 10(e) direction notice provides for the public release of a section 10(e) report, the QCA could not release information in its report which would otherwise be prevented from release under the QCA Act.

**OBPR direction notices**

7. The direction notice relating to the Investigation and Report on a Framework for Reducing the Burden of Regulation (Attachment 1) specified the following reporting requirements:

   The Authority must provide:

   a) an Interim Report by 1 November 2012 regarding a proposed framework for measuring regulatory burden and identifying initial priority areas for targeted regulatory review; and

   b) a Final Report by 31 January 2012.

   The Authority should publish issues papers, reports and submissions on its website as it considers appropriate.

8. This direction notice provides significant scope for the OBPR to publicly release its Interim and Final Reports as it deems appropriate. The Assistant Minister for Finance, Administration and Regulatory Reform, Mrs Deb Frecklington MP, has also indicated her preference for the OBPR’s Interim and Final Reports to be made publicly available. The QCA could potentially publicly release its reports at the same time they are issued to Government.

9. For the remaining OBPR reviews, the direction notices (Attachments 2-4) require the OBPR to...

   “report its findings to the Treasurer and the Attorney-General by...”.

   This means the QCA cannot publicly release reports for these reviews without the express permission of the Government (i.e. by written direction from you and the Attorney-General and Minister for Justice). However, this would not prevent the Government from releasing the reports if it chose to do so.

10. Options regarding the release of section 10(e) reports are at Attachment 5. Consideration of these options highlights the need for case by case consideration of reporting arrangements for section 10(e) investigations.

11. For the OBPR’s Investigation into a Framework for Reducing the Regulatory Burden, it is recommended that Queensland Treasury and Trade (QTT) informally seek QCA agreement to publicly release its Interim and Final Reports after they have been provided to you and the Attorney-General. This could be as little as a few days after the report has been delivered, but will provide some time for the Government to consider the OBPR’s findings. However, the QCA may seek to publicly release its reports on the dates specified in the Direction Notice, in which case, the Government could ask that the QCA provide a draft copy of its reports to Government prior to the reporting deadline. However, there is no guarantee that the OBPR would comply with the Government’s request in this regard.
12. Regarding the remaining three OBPR investigations, it is recommended that the Government retain the discretion to publicly release each report as and when it considers appropriate. This could involve the Government formally releasing the reports (e.g. by tabling in Parliament) or authorising the QCA to release the reports by way of written direction.

13. As noted above, even if the Government authorises the OBPR to release a report, the OBPR cannot release information containing confidential material (e.g. cabinet or commercially sensitive material) which is prevented from release under the QCA Act. In this regard, it is questionable whether the OBPR would be able to release its full report on the Requirements for Water Tanks and Other Water Savings Devices as the primary purpose of that review is to consider the regulatory proposal and associated material prepared for Cabinet. However, this would not prevent the Government from releasing the report if it decided to do so.

RECOMMENDATION

14. That you approve the following approach regarding the public release of the OBPR’s section 10(e) reports:

- that QTT seek OBPR agreement to either delay the publication of its Interim and Final Reports on a Framework for Reducing the Regulatory Burden until after the reports are provided to Government, or to provide Government with a draft report prior to the reporting deadlines;

- for the remaining three OBPR reviews, the Government will retain the discretion to publicly release the OBPR’s reports as it considers appropriate; and

- for all future section 10(e) investigations to be conducted by the OBPR, the Government will consider the appropriate reporting arrangements (including the public release of OBPR reports) on a case by case basis and will draft direction notices accordingly.

Helen Gluer
Under Treasurer

☐ Approved
☐ Not approved
☐ Noted

Treasurer and Minister for Trade

Tim Nicholls
Treasurer and Minister for Trade

Name: Action Officer/Author: Director:
Maire Ingram Katrinna Martin
Branch/Division: RRB RRB
Telephone: 07 303 51493 07 303 51630
Date: 19/10/12

This officer may be required to provide further detailed information regarding the issue.
QUEENSLAND COMPETITION AUTHORITY ACT 1997
Section 10(e)

MINISTERS' DIRECTION NOTICE

In our capacity as responsible Ministers, pursuant to sections 10(e) of the Queensland Competition Authority Act 1997, we hereby direct the Queensland Competition Authority (the Authority) to investigate and report on a framework for reducing the burden of regulation, including:

a) a proposed framework for measuring the regulatory burden of legislation, including appropriate regulatory burden benchmarks against which Queensland Government departments may be assessed by the Authority on an annual basis;

b) a proposed process for reviewing the existing stock of Queensland legislation; and

c) priority areas for targeted regulatory review having regard to the regulatory burden imposed by legislation.

Matters to be considered

In undertaking this investigation, the Authority is to:

a) Develop methodology for measuring the regulatory burden of legislation, including appropriate regulatory burden benchmarks against which departments may be assessed by the Authority on an annual basis.

In developing methodology, the Authority is to consider both quantitative and qualitative measures of regulatory burden.

For the purpose of this review, regulatory burden includes administrative and compliance costs, delay costs to business and other costs that affect the community as a whole.

b) Develop a process for reviewing the existing stock of Queensland legislation.

For the purpose of this review, legislation includes Acts and regulations.

c) Consider other Australian and international approaches for measuring and reviewing regulatory burdens, reviewing legislation and identifying priority review areas. In particular, the Authority should review, and report on, the approach taken by the Victorian Competition and Efficiency Commission for measuring regulatory burden.

d) Have regard to the costs of implementing possible frameworks for measuring regulatory burden, including costs associated with data collection and assessment.
The proposed framework should include a requirement that the Authority publish an annual report on departmental performance against regulatory burden benchmarks, taking into account the Government's target of a 20 per cent reduction in red tape and regulation.

Consultation

The Authority must undertake open consultation processes with all relevant parties and consider any submissions received within the reporting timeframes. Relevant parties include business, the community and relevant government departments and regulatory agencies.

Reporting

The Authority must provide:

1. an Interim Report by 1 November 2012 regarding a proposed framework for measuring regulatory burden and identifying initial priority areas for targeted regulatory review; and


The Authority should publish issues papers, reports and submissions on its website as it considers appropriate.

TIM NICHOLLS
Treasurer and Minister for Trade

JARROD BLEIJIE
Attorney-General and Minister for Justice
QUEENSLAND COMPETITION AUTHORITY ACT 1997
Section 10(e)

MINISTERS’ DIRECTION NOTICE

In our capacity as responsible Ministers, pursuant to section 10(e) of the Queensland Competition Authority Act 1997, we hereby direct the Queensland Competition Authority (the Authority) to investigate and report on proposed amendments to the Building Regulation 2006 regarding the repeal of Queensland Development Codes 4.2 and 4.3 requirements for water tanks and other water saving devices that apply to houses and new commercial and industrial buildings by:

a) conducting a review of the existing analysis of the potential impacts of the proposed amendments; and
b) to the extent outlined below, advising whether the proposed amendments would be of net benefit to the community as a whole.

Conduct of the investigation:

In undertaking this investigation, the Authority:

a) should review the existing analysis prepared for Cabinet to verify the soundness of the net present value calculations based on the costs to homeowners and businesses and the benefits of deferring bulk water infrastructure investment for SEQ, including comment, to the extent possible, on the reasonableness of the source information;
b) advise whether the potential net benefits of any impacts of rainwater tank requirements that have not been incorporated in existing analyses are likely to offset the net benefits identified in (a), using such qualitative and quantitative data as is available;
c) insofar as available data allows, extend the analysis to include one regional centre that may have more immediate needs for bulk water infrastructure enhancement than SEQ;
d) based on the analysis above,
   (i) compare the potential outcome of each the following regulatory options:
       − the status quo (no regulatory change);
       − repeal of Queensland Development Codes 4.2 and 4.3 requirements for water tanks and other water saving devices that apply to houses and new commercial and industrial buildings; and
   (ii) advise on the option of allowing local governments to opt-in to Queensland Development Codes 4.2 and 4.3 requirements for water tanks and other water saving devices that apply to houses and new commercial and industrial buildings, including any restrictions that should apply to such opt in arrangements (for example, a requirement to demonstrate a net public benefit from opt-in).
e) can rely on the information available to it as at the date of this Direction Notice;
f) must consult with relevant Queensland Government departments; and
g) must ensure that in the conduct of the investigation, no exempt matter is disclosed to anyone other than the appropriate staff of the Authority, or a consultant or agent of the Authority who receives the information in the course of his or her duties.

For the purposes of this Direction, “exempt matter” will have the same meaning as provided under section 235 of the *Queensland Competition Authority Act 1997.*

The Authority is to report its findings to the Treasurer and the Attorney-General by 1 November 2012.

TIM NICHOLLS
Treasurer and Minister for Trade

JARRÖD BLEIJIE
Attorney-General and Minister for Justice
QUEENSLAND COMPETITION AUTHORITY ACT 1997
Section 10(1)(e)

MINISTERS' DIRECTION NOTICE

In our capacity as responsible Ministers, pursuant to section 10(1)(e) of the Queensland Competition Authority Act 1997, we hereby direct the Queensland Competition Authority (the Authority) to review the National Reform on Commercial Vessel Safety, including the Marine Safety (Domestic Commercial Vessel) National Law Bill 2012 (Cth), the Marine Safety (Domestic Commercial Vessel) National Law (Consequential Amendments) Bill 2012 (Cth), the supporting Regulatory Impact Statement and work undertaken to date on the establishment of the National Marine Safety Regulator to:

a) determine whether the potential impact on Queensland industry and the Queensland Government has been adequately identified, and where possible quantified;

b) advise whether the reform would be of net economic and financial benefit to Queensland;

c) advise about the impacts on operators and stakeholder groups within the industry, including those that operate solely within Queensland; and

d) advise whether the reform will improve maritime safety.

In undertaking this review, the Authority can rely on the information available to it as at the date of this Direction Notice, to assess or, where feasible in the time frame, quantify key effects that have not been quantified in the available documentation.

The OBPR is to report its findings to the Treasurer and the Attorney-General by 31 October 2012.

TIM NICHOLLS
Treasurer and Minister for Trade

JARROD BLEIJIE
Attorney-General and Minister for Justice
QUEENSLAND COMPETITION AUTHORITY ACT 1997
Section 10(1)(e)

MINISTERS' DIRECTION NOTICE

In our capacity as responsible Ministers, pursuant to section 10(1)(e) of the Queensland Competition Authority Act 1997, we hereby direct the Queensland Competition Authority (the Authority) to review the National Rail Safety Regulation and Investigation Reform, including the Rail Safety National Law and supporting Regulatory Impact Statement, the Transport Safety Investigation Amendment Bill 2012 (Cth) and work undertaken to date on the establishment of the National Rail Safety Regulator and Investigator to:

a) determine whether the potential impact on Queensland industry and the Queensland Government has been adequately identified, and where possible quantified;

b) advise whether the reform would be of net economic and financial benefit to Queensland;

c) advise about the impacts on operators and stakeholder groups within the industry, including those that operate solely within Queensland; and

d) advise whether the reform will improve rail safety.

In undertaking this review, the Authority can rely on the information available to it as at the date of this Direction Notice, to assess or, where feasible in the time frame, quantify key effects that have not been quantified in the available documentation.

The OBPR is to report its findings to the Treasurer and the Attorney-General by 16 November 2012.

TIM NICHOLLS
Treasurer and Minister for Trade

JARROD BLEIJIE
Attorney-General and Minister for Justice
Attachment 5

Options for release of section 10(e) reports (TRY-02190)

There are three broad options regarding the public release of section 10(e) reports:

1. **No public release by the QCA or Government**
   - Failure to publicly release a section 10(e) report may not meet public expectations and would likely raise questions about transparency, particularly as all direction notices are publicly available (as required under the QCA Act).
   - This approach could prompt a request for release of the report under the Right to Information Act 2009.

2. **Public release by:**
   i. the Government; and/or
   ii. the QCA after the Government has had adequate time to consider the report (and possibly provide a response) or at the permission of the Treasurer and/or Attorney-General.
   - This approach enables the Government to develop a considered response before a section 10(e) report is publicly released;
   - It minimises the risk of "surprises" while still ensuring transparency.
   - This approach is consistent with that adopted by the Productivity Commission (PC). For Public Inquiries, the PC forwards its final report to Government and awaits release by Parliament (final reports must be tabled within 25 sitting days of the Treasurer receiving the report). For Commissioned Research Studies, the final report is forwarded to the Government and then generally released by the PC shortly thereafter. The Commonwealth Minister can also ask the PC for advice on a matter; however in these circumstances, the Minister is not required to publish the advice given by the PC.

3. **Public release by the QCA at the same time the report is issued to the Treasurer and Attorney-General.**
   - Unless the OBPR provides an advance copy of its report to Government, there is a risk that reports may contain unexpected and/or potentially contentious material for which the Government has not prepared a considered response.
BRIEFING NOTE

FROM Treasury and Trade
FOR Treasurer and Minister for Trade
SUBJECT MRRT Senate Inquiry – Final submission and letter to Premier

Contact Officer: Tess Flottmann, IGR, 303 51465  
Record No: TRY-03428  
Date: 21/03/2013

Requested by: Matthew Jeffries  
Date Approval Required By:

PURPOSE

1. To seek your approval of the attached submission to the Senate inquiry into the development and operation of the Mineral Resource Rent Tax.

BACKGROUND

2. On 4 March 2013, you received a letter from Senator David Bushby, Chair of the Senate Economics References Committee, inviting Queensland to make a submission to the Senate inquiry into the development and operation of the Mineral Resource Rent Tax (MRRT) (the inquiry) by 27 March 2013 (see TRY-03279).

3. Treasury was requested to prepare a submission to the inquiry. A draft submission has been prepared by Intergovernmental Relations in consultation with Fiscal, the Legal Services Unit and your office. This submission is attached for your approval (Attachment 1).

ISSUES

4. Given the short time frame in which submissions are being accepted, it is not practicable to seek Cabinet’s approval of the submission. The Department of Premier and Cabinet indicated that to seek dispensation from the usual requirement to consult with Cabinet, it will be necessary for you to write to the Premier informing him that a submission is being prepared and seeking approval to send the submission without obtaining approval from Cabinet. This letter has been prepared (see TRY-03322).

5. The draft submission draws on the public position of the Government on this issue. It makes the following points:

   • the Australian Government failed to seek close engagement with the Queensland Government in the development of the MRRT;
   • the introduction of the MRRT represents a federal incursion into what has traditionally been a State revenue base and a State responsibility. It adds another unnecessary layer of taxation to the mining industry, increasing the cost, risk and complexity of investing in Australia;
   • by implementing the MRRT, the Federal Government has constrained the ability of the Queensland Government to levy appropriate charges for resources on behalf of Queenslanders;
   • the Federal Government must not respond to the revenue shortfall caused by the MRRT with further incursions into States’ revenue raising capacity;
   • any amendment to the MRRT to generate more revenue will intensify the sovereign risk issues already created by the introduction of the new tax; and
   • the Queensland Government is committed to encouraging and promoting mining investment.
6. Making these points in the submission to the Senate will give them further public exposure and allow them to be used as evidence for those on the Committee supporting Queensland's views.

RECOMMENDATION

7. That you approve the attached submission to the Senate inquiry into the development and operation of the Mineral Resource Rent Tax.

Helen Gluer
Under Treasurer  Date  /  /

☐ Approved ☐ Not approved  ☐ Noted
Treasurer and Minister for Trade  Comments

Tim Nicholls
Treasurer and Minister for Trade  /  /

<table>
<thead>
<tr>
<th>Name:</th>
<th>*Action Officer/Author:</th>
<th>Director:</th>
<th>ED/AUT:</th>
<th>OUT:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tess Flottmann</td>
<td>Frank Ravalli</td>
<td>Gary Ward</td>
<td></td>
</tr>
<tr>
<td>Branch/Division:</td>
<td>IGR</td>
<td>IGR</td>
<td>OUT</td>
<td></td>
</tr>
<tr>
<td>Telephone:</td>
<td>07 3035 1465</td>
<td>07 3035 1464</td>
<td>3035 1936</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td>21/03/2013</td>
<td>21/03/2013</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The Secretary
Senate Economics References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Bushby

Thank you for your letter of 4 March 2013 inviting submissions to the Senate Economics References Committee (the Committee) regarding the inquiry into the development and operation of the Mineral Resource Rent Tax (MRRT). I can understand the Federal Parliament’s concern regarding the paltry revenue so far collected by the Australian Government through the flawed MRRT.

I can assure you that this outcome has been of the Australian Government’s own making. Despite the experience gained by the States through many years of partnership with the mining companies in the development of their industry, we were not invited to be in any way involved in the forecasting of revenue collected in the first half of the year – forecasting which has been proved inaccurate.

At the very least, this recent experience demonstrates the inherent variability and uncertainty that accompanies a profit-based resource charge, and it justifies states’ reluctance to adopt such a charge. State Governments, not having the Commonwealth’s large revenue base, would find it difficult to absorb such revenue volatility.

The Queensland Government has been, and will continue to be, opposed to the Australian Government’s MRRT. The introduction of the MRRT represents a federal incursion into what has traditionally been a State revenue base and a State responsibility. It adds another unnecessary layer of taxation to the mining industry, increasing the cost, risk and complexity of investing in Australia.

It is estimated that the additional cost of implementing and administering the MRRT and extended petroleum resource rent tax to 30 June 2013 exceeds $50 million. These figures do not include further costs borne by the Australian Government in developing and revising the Resource Super-Profits Tax and the MRRT, or the costs borne by industry participants, States and other relevant stakeholders in understanding and negotiating the workings of each iteration of the resource rent tax.

By means of comparison, Queensland’s Office of State Revenue (OSR) estimates that the operating cost of administering state royalties in 2012-13 to be $2.1 million, noting that the Mid Year Fiscal and Economic Review estimates that OSR will collect more than $2.2 billion in royalty revenue in 2012-13.
States own the mineral and petroleum resources within their jurisdictions and have the right to levy what they consider to be an appropriate charge for them. The minerals located in Queensland belong to the people of Queensland, who are entitled to a fair return from the commercial exploitation of those minerals. By implementing the MRRT, the Federal Government has constrained the ability of the Queensland Government to levy appropriate charges for resources on behalf of Queenslanders.

As you would be aware, the MRRT is currently being challenged by Fortescue Metals Group Ltd. The challenge was heard by the High Court on 6 and 7 March 2013, and we are waiting for the High Court to deliver its judgement. Queensland in its submissions argued that the MRRT regime was invalid on the grounds that:

- It discriminates between the States due to the unique treatment of royalties. The main argument is that the MRRT regime seeks to equalise the position of taxpayers by imposing a law which discriminates between the States by neutralising the objectives of States' royalty regimes under which the taxpayers are granted rights to extract minerals, contrary to section 51(ii) of the Constitution; and/or
- it impermissibly curtails the capacity and function of the State (for example, to exact economic rent for its mineral resources and facilitate development in the State) contrary to the Melbourne Corporation principle.

The Federal Government must not respond to the revenue shortfall caused by the MRRT with further incursions into States' revenue raising capacity. It is crucial that the revenue raising capacity of States and Territories is preserved, so that States and Territories can continue to meet their expenditure responsibilities. Continual encroachment by the Federal Government into revenue bases traditionally held by the States is not sustainable, particularly where, as in this case, inadequate compensation is to be made available to the resource States.

Any amendment to the MRRT to generate more revenue will intensify the sovereign risk issues already created by the introduction of the new tax. The MRRT has undoubtedly damaged Australia's international reputation in the mining industry without raising significant revenue for the people of Australia. The Federal Government must not create even more uncertainty for this crucial industry.

The Queensland Government is committed to encouraging and promoting mining investment. To assist the mining industry to reduce costs and otherwise lower the regulatory burden, the Government established a Resources Cabinet Committee comprising the Honourable Jeff Seeney MP, Deputy Premier and Minister for State Development, Infrastructure and Planning, the Honourable Andrew Powell MP, Minister for Environment and Heritage Protection, the Honourable Andrew Cripps MP, Minister for Natural Resources and Mines and myself, which has been working with industry to develop a package of measures. Enhancements to productivity in this sector will make it even more competitive.

Resource Cabinet Committee achievements to date include:

- a pilot mine water release strategy supported by an enhanced environmental monitoring program that has been put in place for the 2012-13 wet season;
- implementing new administrative arrangements to the Strategic Cropping Land Act 2011 to remove unnecessary assessment of resource activities, saving industry millions of dollars over the long term;
• development of a revised Coal Seam Gas (CSG) Water Management Policy for the future use and management of CSG water providing certainty and clarity for decision makers, proponents and the community;
• extending the timeframe for the refit of regulated dams from three to five years, reducing costs and impact on industry; and
• successfully negotiating conduct and compensation agreements with the gas industry to access to state forests.

In 2013, the Resources Cabinet Committee will focus on a number of key regulatory initiatives including:

• reforming the social impact mitigation process in consultation with the Queensland Resources Council, industry and the Local Government Association of Queensland;
• evaluating the outcomes of the pilot mine water discharge strategy and investigating the feasibility of a long term, cost effective approach for mine water management;
• reforming Queensland’s resources legislation with the goal of achieving a single resources Act;
• implementing a revised process for Environmental Impact Statements;
• developing a new model for financial assurance;
• establishing an improved state environmental offsets policy;
• finalising policies on oil shale and uranium mining; and
• developing an alternative framework for the management of Wild Rivers.

The Committee will continue to ask industry to bring forward issues that are adding costs to business and creating delays. Through this process, the Government will be looking for real world practical examples where its intervention will lead to positive changes to enable industry to expand and grow. The Government has also guaranteed for a period of ten years (to the end of the 2021-22 financial year) that coal royalties will not be increased again.

The Queensland Government has also established the Office of Best Practice Regulation (OBPR), which has a key role in reducing unnecessary regulation within Government. The OBPR has identified regulation of mining development as a priority area for reform.

Queensland does not want interference by the Federal Government to undermine our efforts to support the sustainable development of the mining industry in our State.

Thank you for the opportunity to submit the Queensland Government’s position to the Committee.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
BRIEFING NOTE

FROM | Treasury and Trade  
FOR  | Treasurer and Minister for Trade  
SUBJECT | 2011-12 Queensland Treasury and Trade Annual Report  
Contact Officer: | Margaret Smith, Communication and Web Services, 3035 3532  
Record No: | TRY-02070  
Date: | 30/10/12  
Requested by: | N/A  
Date Approval Required By: | 31/10/12

PURPOSE

1. The purpose of this submission is to provide you with a copy of the 2011-12 Queensland Treasury and Trade (QTT) Annual Report (Attachment 1) for your noting.

BACKGROUND

2. In consultation with and guidance from QTT executives and portfolio offices, the 2011-12 QTT Annual Report has been prepared in accordance with the Financial Accountability Act 2009, the Financial and Performance Management Standard 2009 (FPMS), and the Department of the Premier and Cabinet’s (DPC’s) Annual report requirements for Queensland Government agencies.

3. The FPMS requires the annual report to be tabled in the Legislative Assembly within three months of the end of the financial year (by 30 September). You had approved a one-month extension – to 30 September 2012 – for the completion of financial statements. On that basis, you also approved an extension to QTT’s tabling deadline to 31 October 2012, to allow adequate time for financial statements to be incorporated into the annual report and for it to be printed before tabling (TRY-00781 refers - Attachment 2).

ISSUES

4. A hard copy of the 2011-12 QTT Annual Report accompanies this briefing note, with a publishing approval form. Also accompanying this briefing note is the online-only content (Attachment 3) that, as required by the DPC Guidelines, is to be published in the online version of the 2011-12 QTT Annual Report only:

- consultancies
- information/document and records management
- overseas travel
- support for women’s careers
- support for carers
- reconciliation

5. As per your comments, correspondence will be drafted to the Premier and the Director-General, DPC proposing that – in the interests of reducing red tape – the above listed non-performance related information need not be included in the 2012-13 Annual Report.

6. Once approved, the 2011-12 QTT Annual Report will be formally transmitted to you by the Under Treasurer for tabling. Immediately upon tabling, the 2011-12 QTT Annual Report and the online-only content will be published on the QTT website (the primary mechanism of distribution for the 2011-12 QTT Annual Report).
RECOMMENDATION

7. It is recommended that you:

- note the copy of the 2011-12 QTT Annual Report
- sign the accompanying QTT publishing approval form.

Helen Gluer
Under Treasurer  Date / /

☐ Approved  ☐ Not approved  ☐ Noted
Treasurer and Minister for Trade  Comments

Tim Nicholls
Treasurer and Minister for Trade  / /
2011–12
Annual Report
Queensland Treasury and Trade
BRIEFING NOTE

FROM Treasury and Trade

FOR Treasurer and Minister for Trade

SUBJECT Queensland Treasury and Trade Annual Report 2011-12 – extension of tabling deadline

Contact Officer: Margaret Smith, Communication and Web Services, 3035 3532

Record No: TRY-00781

Date: 15/6/12

Requested by: N/A

Date Approval Required By: 1

PURPOSE

1. The purpose of this submission is to seek your approval of an extension to the tabling deadline for the Queensland Treasury and Trade (QTT) Annual Report 2011-12 to 31 October 2012.

BACKGROUND

2. Work has commenced on the QTT Annual Report 2011-12.

3. The statutory tabling deadline for the QTT Annual Report 2011-12 is 30 September 2012.

ISSUES

Deadline for financial statements

4. You have previously approved a one-month extension for the completion of financial statements for annual reports – to 30 September. A list of agencies impacted by this extension – originally contained in a letter of 10 May 2012 to accountable officers – is attached (Attachment 1). Although the department is doing everything possible to meet the original completion date, recent Machinery of Government changes have taken this objective out of our control.

Deadline for tabling

5. Despite the abovementioned extension for the completion of financial statements, the statutory tabling deadline for the annual report remains at 30 September.

6. After the financial statements are completed, there are a number of essential production tasks remaining, including layout of the financial statements, review by management, pre-press and printing (minimal print run as per direction from the Department of the Premier and Cabinet), before the annual report can be tabled.

7. The impact of this potential ‘bottleneck’ was acknowledged by the Department of the Premier and Cabinet’s (DPC) Performance and Delivery in an email to agencies of 18 May 2012 in which they advised agencies of the release of the annual report guidelines.

8. For this year’s reporting process, an extension of the tabling deadline to 31 October will allow adequate time for financial statements to be incorporated into the QTT Annual Report 2011-12 and for it to be printed before tabling.
9. Section 23 of DPC's Annual report requirements for Queensland Government agencies (Attachment 2) advises that you may extend the preparation and tabling date of the annual report by written notice to the accountable officer.

10. Despite this extension (if granted), staff will work to complete the QTT Annual Report 2011-12 as close as possible to the original deadline.

RECOMMENDATION


Helen Gliuer
Under Treasurer

Date 29/6/12

Tim Nicholls
Treasurer and Minister for Trade

29/6/12

*T *Action Officer/Author: Margaret Smith
Director: Mark Rogers
ED/AUT: Chris Turnbull
UT: Helen Gliuer
Branch/Division: HR and Communication
Telephone: 3035 3532
Date: 15/6/12

This officer may be required to provide further detailed information regarding the issue
TRY 00781 – Attachment 1
- Agencies impacted by extensions for completion of financial statements
- Originally provided in a letter dated 10 May 2012 from the Under Treasurer to accountable officers

**Departments**

<table>
<thead>
<tr>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal and Torres Strait Islander and Multicultural Affairs</td>
</tr>
<tr>
<td>Agriculture, Fisheries and Forestry</td>
</tr>
<tr>
<td>Communities, Child Safety and Disability Services</td>
</tr>
<tr>
<td>Community Safety</td>
</tr>
<tr>
<td>Education, Training and Employment</td>
</tr>
<tr>
<td>Electoral Commission</td>
</tr>
<tr>
<td>Energy and Water Supply</td>
</tr>
<tr>
<td>Environment and Heritage Protection</td>
</tr>
<tr>
<td>Housing and Public Works</td>
</tr>
<tr>
<td>Justice and Attorney-General</td>
</tr>
<tr>
<td>Local Government</td>
</tr>
<tr>
<td>National Parks, Recreation, Sport and Racing</td>
</tr>
<tr>
<td>Natural Resources and Mines</td>
</tr>
<tr>
<td>Ombudsman</td>
</tr>
<tr>
<td>Premier and Cabinet</td>
</tr>
<tr>
<td>Queensland Audit Office</td>
</tr>
<tr>
<td>Queensland Health</td>
</tr>
<tr>
<td>Queensland Police Service</td>
</tr>
<tr>
<td>Queensland Treasury and Trade</td>
</tr>
<tr>
<td>Science, Information Technology, Innovation and the Arts</td>
</tr>
<tr>
<td>State Development, Infrastructure and Planning</td>
</tr>
<tr>
<td>Tourism, Major Events, Small Business and the Commonwealth Games</td>
</tr>
<tr>
<td>Transport and Main Roads</td>
</tr>
<tr>
<td>Public Service Commission</td>
</tr>
<tr>
<td>Legislative Assembly</td>
</tr>
<tr>
<td>Office of the Governor</td>
</tr>
<tr>
<td>Public Trust Office</td>
</tr>
</tbody>
</table>

**Statutory bodies**

<table>
<thead>
<tr>
<th>Statutory body</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-Discrimination Commission Queensland</td>
</tr>
<tr>
<td>Australian Agricultural College Corporation</td>
</tr>
<tr>
<td>Board of the Queensland Museum</td>
</tr>
<tr>
<td>Commission for Children and Young People and Child Guardian</td>
</tr>
<tr>
<td>Crime and Misconduct Commission</td>
</tr>
<tr>
<td>Gold Coast Institute of TAFE</td>
</tr>
<tr>
<td>Health Quality and Complaints Commission</td>
</tr>
</tbody>
</table>
Excerpt from Department of the Premier and Cabinet's *Annual report requirements for Queensland Government agencies*

<table>
<thead>
<tr>
<th>23</th>
<th>Late tabling of annual reports</th>
</tr>
</thead>
</table>

The appropriate Minister may extend, or further extend, the preparation and tabling date of the annual report for a *department* or *statutory body* by written notice given to the accountable officer of the department or to the statutory body (required by section 49(3) of the FPMS).

However, if the extension is for a period of more than six months after the end of the financial year, section 49(4) of the FPMS requires that the appropriate Minister must, within 14 days of giving the extension, table in the Legislative Assembly a written statement (generally in the form of a separate written letter) giving reasons for the extension.

The written statement tabled in Parliament must state:
- the report is being tabled late
- the length of the delay, and
- the reasons for the delay.
Consultancies

<table>
<thead>
<tr>
<th>Consultancy</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and accounting</td>
<td>$334,096</td>
</tr>
<tr>
<td>Human resource management</td>
<td>$22,004</td>
</tr>
<tr>
<td>Information technology</td>
<td>$24,300</td>
</tr>
<tr>
<td>Professional and technical</td>
<td>$2,205,454</td>
</tr>
<tr>
<td>Legal</td>
<td>$354,300</td>
</tr>
<tr>
<td><strong>Total actual expenditure at 30 June 2012</strong></td>
<td><strong>$2,940,154</strong></td>
</tr>
</tbody>
</table>

Managing our information resources

Our records allow us to make quality decisions and recommendations for the Government on behalf of the community. These valuable assets are our corporate memory, documenting our actions, decisions and communication while providing the foundation of government accountability.

Throughout the year, we responsibly managed our records through sound information management and recordkeeping practices that comply with the *Public Records Act 2002, Information Standard 40: recordkeeping* and *Information Standard 31: retention and disposal of public records*. Our people efficiently identified, captured, retained and, where necessary, disposed of records as an integral part of their daily work activities.

In 2011-12, Treasury and Trade maintained its commitment to excellence in recordkeeping by:

- upgrading our existing recordkeeping system to ensure continued interoperability with business applications
- evaluating the available options for the development of an enterprise content management system
- building staff awareness about good record management practices with training programs and information sessions
- continuing to transfer permanent records to Queensland State Archives
- monitoring and reporting on the use of recordkeeping systems and procedures.
<table>
<thead>
<tr>
<th>Officer, position</th>
<th>Destination</th>
<th>Reason for travel</th>
<th>Agency cost</th>
<th>Contribution from other agencies or sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russell Josipovic, Principal Spatial Analyst</td>
<td>Wellington, NZ (November 2011)</td>
<td>Surveying and Spatial Sciences Conference 2011 – present paper</td>
<td>$1,893</td>
<td>Nil</td>
</tr>
<tr>
<td>Adrian Noon, Executive Director</td>
<td>Auckland, NZ (October-November 2011)</td>
<td>University of Auckland New Zealand Governance Centre Conference &quot;Revisiting the State and the Market – present paper ‘Corporatisation – A Queensland Perspective’</td>
<td>$216</td>
<td>$1,315</td>
</tr>
<tr>
<td>Gerard Bradley, Under Treasurer</td>
<td>Singapore, Hong Kong, London, Vienna, Warsaw, Munich, Sweden, Germany, Israel, US (September-October 2011)</td>
<td>Qld Treasury Corporation – briefing session and presentations with Treasurer to potential investor groups and merchant bankers</td>
<td>$6,763</td>
<td>$18,303</td>
</tr>
<tr>
<td>Alex Beavers, Deputy Under Treasurer</td>
<td>Shanghai, China (September 2011)</td>
<td>Five day residential International Global Leadership Practices Program for Senior Executives at China Executive Leadership Academy</td>
<td>$2,631</td>
<td>Nil</td>
</tr>
<tr>
<td>Tony Kulpa, Deputy Commissioner</td>
<td>Singapore (August 2011)</td>
<td>Attend SAP Government Innovation Series (Focus sessions for SAP Tax and Revenue management) and SAP Advisory Council for Public services (build relationships, identify opportunities for continuous improvement, understand and influence current and future SAP product development and deployment)</td>
<td>$3,146</td>
<td>Nil</td>
</tr>
<tr>
<td>Paul Donaldson, General Manager</td>
<td>Singapore, London, Bermuda, New York (July 2011)</td>
<td>Seek expressions of interest in reinsurance market for natural disaster insurance coverage for State assets inclusive of roads. Required face to face presentations to reinsurers in several countries.</td>
<td>$18,334</td>
<td>Nil</td>
</tr>
<tr>
<td>Name</td>
<td>Location</td>
<td>Description</td>
<td>Cost</td>
<td>Notes</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>---------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>-------</td>
<td>--------</td>
</tr>
<tr>
<td>Tim Spencer, Associate Under Treasurer</td>
<td>Singapore, UK, Bermuda, US (July 2011)</td>
<td>Seek expressions of interest in reinsurance market for natural disaster insurance coverage for State assets inclusive of roads. Required face to face presentations to reinsurers in several countries.</td>
<td>$18,334</td>
<td>Nil</td>
</tr>
</tbody>
</table>
| Ying-Chen (Scott) Lin, International Business Cadet | China, Hong Kong (March-August 2012)* | - Twenty week in-market placement – key component of International Business Cadetship Program.  
- Two short trips to Hong Kong | $28,436 | Nil    |
| Stacey Mills, International Business Cadet | Chile, Brazil, Peru, Colombia (March-August 2012)* | - Twenty week in-market placement in Santiago, Chile – key component of International Business Cadetship Program.  
- Three short trips to Brazil, Peru and Colombia | $30,436 | Nil    |
| Ashleigh Van Zyl, International Business Cadet | Chile, Brazil (March-August 2012)* | - Twenty week in-market placement – key component of International Business Cadetship Program.  
- Two short trips to Brazil. | $28,936 | Nil    |
<p>| Tristan Cartmel, International Business Cadet | China (March-August 2012) | Twenty week in-market placement – key component of International Business Cadetship Program. | $27,436 | Nil    |
| Michell Chee, International Business Cadet | India (March-August 2012) | Twenty week in-market placement – key component of International Business Cadetship Program. | $27,436 | Nil    |
| Raymond Matta, Business Manager Middle East &amp; Africa | Oman, Saudi Arabia, Qatar, United Arab Emirates (April-May 2012)** | Support outbound Queensland business delegation to Middle East targeting water, mining, infrastructure, education and agribusiness sectors | $8,315 | Nil    |</p>
<table>
<thead>
<tr>
<th>Name</th>
<th>Location/Period</th>
<th>Description</th>
<th>Cost</th>
<th>Other Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew McCarrol</td>
<td>Taiwan (April-May 2012)**</td>
<td>Six week placement in Trade and Investment Queensland Taiwan Office for food export project GrowTaiwan.</td>
<td>$12,069</td>
<td>Nil</td>
</tr>
<tr>
<td>Tracy Arnison,</td>
<td>China (April-June 2012)**</td>
<td>Public Servant Exchange with Shanghai Foreign Affairs Office – annual, reciprocal program under Queensland-Shanghai Memorandum of Agreed Cooperation.</td>
<td>$1,383</td>
<td>$7,026 (Foreign Affairs Office, Shanghai Municipal Government)</td>
</tr>
</tbody>
</table>
• Support 11 participating Queensland companies by securing strategic meetings with major Russian mining companies, providing interpreting services and other necessary in-market support. | $7,268 | Nil                                              |
| Stephen Biggs,               | South Africa, Mozambique, United Arab Emirates, Saudi Arabia (April-June 2012)** | • Lead mission to South Africa and Mozambique, for government meetings and to facilitate opportunities for participating in Queensland companies.  
• Undertake business planning and post review process for Abu Dhabi and Riyadh offices.  
• Meet with clients and allies in the region. | $8,316 | Nil                                              |
| Edith Gomez Quintanilla,     | Singapore and Malaysia (May 2012) | To build business relationships between the Australian avocado industry and key customers. As part of the visit food training workshops in Malaysia and Singapore were undertaken targeting chefs, beverage masters and food purveyors. Furthermore, in-store promotions and fruit tasting were undertaken at selected retail chains in both markets | $3,905 | Nil                                              |
| Judith Noller,               | Japan (May/June2012)          | To actively participate in a Trade mission for mango and avocado processors to meet Japanese buyers and to assess value-adding opportunities. | $4,665 | Nil                                              |
**Supporting women’s careers**

Our organisation is committed to ensuring that women enjoy equal opportunity and participation in our workplaces.

As women are the primary caregivers in many households, we ensure that our flexible work arrangements and policies provide opportunities for working mothers to pursue their public sector careers. Working mothers benefit from our maternity and parental leave arrangements, on-site parenting facilities and our breastfeeding policy.

We continue to perform strongly in the area of recruiting and promoting women in decision-making roles. During 2011-12, women made up 46 per cent of our A07-A08 roles and 40 per cent of our senior management roles.

Approximately 17 per cent of our women staff participated in development opportunities including the Public Sector Management Program, Professional Excellence Program, Women in Leadership, Springboard into Leadership, and further education through the Study and Research Assistance Scheme.

We promoted and celebrated International Women’s Day on 8 March 2012, including the IWD Great Debate.

<table>
<thead>
<tr>
<th>Name</th>
<th>Destination</th>
<th>Purpose</th>
<th>Estimated Cost</th>
<th>Actual Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adriano Brescia, Trade and Investment Officer</td>
<td>Hong Kong</td>
<td>To undertake a market visit to build business relationships between the Australian avocado industry and key customers in Hong Kong. As part of the visit consumer research (in the form of in-store retail surveys) and value chain research will be conducted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul O’Hanlon, Principal Trade Officer</td>
<td>South Africa, Mozambique</td>
<td>Organise mission, arrange meetings and visits and provide support to mission leader and delegates during business meetings</td>
<td>$9,852</td>
<td>Nil</td>
</tr>
<tr>
<td>Donna Foster, Principal Trade Officer</td>
<td>NZ</td>
<td>2012 Pacific Infrastructure Forum in Auckland – obtain hosting opportunity for Queensland in 2013. Meet key decision makers and identify opportunities for Queensland companies in $30 billion rebuild program</td>
<td>$2,464</td>
<td>Nil</td>
</tr>
</tbody>
</table>

---

*Estimated cost of trip approved prior to commencing travel, upon completion of travel, actual expenses are included in the final report submitted by the travelling officer.*

**Travel undertaken by TIQ employees where travel commenced before 1 May 2012 (machinery of Government effective date), but completed after that date.*
Supporting carers

Many of our employees are carers and our flexible work practices enable them to meet their business priorities while still being there for their families.

Our intranet refers carers to information and services such as Carers Australia and Centrelink’s Grandparent Advisors service. We also support the Carer’s Charter and use our intranet to raise awareness of the Carers (Recognition) Act 2008.

Our own carers’ rooms in the Brisbane CBD provide a comfortable, well-equipped environment with full network and internet access so staff can care for their dependents at work if the need arises.

In 2011-12, we supported the Queensland Government 10 Year Plan for Supporting Queenslanders with a Disability by continuing to highlight the needs of carers and implementing our own Disability Plan.

Reconciliation in Treasury and Trade

Treasury and Trade is committed to achieving reconciliation with Aboriginal and Torres Strait Islander people. In 2011-12, we made the following progress towards initiatives in the Queensland Government Reconciliation Action Plan 2009-12:

Queensland Government action

The Queensland Government will work actively with Aboriginal and Torres Strait Islander peoples to achieve the Council of Australian Governments national Closing the Gap targets and strategies, including in the key areas of early childhood, schooling, housing, health and economic participation.

Treasury and Trade response

- We promoted the exemption from advertising under s7.6 of Directive 1/10: Recruitment and Selection to increase representation of Aboriginal and Torres Strait Islander employees in our organisation.

Queensland Government action

All Queensland Government agencies will incorporate relevant reconciliation actions in their annual business plans and report on the progress of the implementation of the Queensland Government Reconciliation Action Plan 2009-12 as part of their annual reports.

Treasury and Trade response

- During the year 29 employees attended Indigenous Cultural Awareness training and NAIDOC Week was recognised throughout our organisation.

- Our intranet has a dedicated page providing information, policies, protocols and guidelines specific to Aboriginal and Torres Strait Islander people. Protocols for welcome to country and acknowledging traditional owners and elders are also available and are practised by staff as appropriate.
• Treasury and Trade has established the Aboriginal and Torres Strait Islander reference group comprised of Indigenous employees. The group's membership spans a wide range of classification levels and employment categories. It is an important forum for Aboriginal and Torres Strait Islander employees in our organisation to:
  – discuss options to assist in the attraction and retention of Aboriginal and Torres Strait Islander employees
  – share information and experiences
  – provide support, mentoring and encouragement to each other
  – identify training and development opportunities to increase skills
  – discuss strategies to promote cultural awareness and respect in the workplace.

• Our Indigenous Employment and Capability Strategy 2009-2012 supports the actions contained in the Queensland Government Reconciliation Action Plan 2009-12 to increase Indigenous employment numbers and to provide employees with cultural awareness training.

• We employed three Indigenous university students through cadetships.

• To further increase the department’s Indigenous representation Treasury and Trade has provided three scholarships in the established ‘Education Toward Employment (E2E)’ Scheme coordinated by the Department of Transport and Main Roads which commenced in 2012.
<table>
<thead>
<tr>
<th>Core outcome</th>
<th>Performance indicators</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved cultural competence of staff</td>
<td>Number of staff that have participated in cultural competence training annually</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Number of staff that have participated in cultural competence training as a percentage of the total number of department staff for the year</td>
<td>4.7%</td>
</tr>
<tr>
<td>Improved access to interpreters for clients when accessing services</td>
<td>Amount spent annually on interpreters engaged by department and government funded non-government organisations</td>
<td>$91.20</td>
</tr>
<tr>
<td></td>
<td>Number of interpreters engaged annually by the department and government funded non-government organisations</td>
<td>2 in the period 2011-12</td>
</tr>
<tr>
<td>Improved communication and engagement with culturally and linguistically diverse (CALD) communities and/or organisations</td>
<td>Number of key information publications translated into languages other than English, annually</td>
<td>26 brochures and flyers</td>
</tr>
<tr>
<td></td>
<td>Number of languages in which publications are available</td>
<td>13: Arabic, English, German, Greek, Hindi, Italian, Japanese, Korean, Mandarin, Chinese simplified and traditional, Portuguese, Samoan, Spanish, Vietnamese</td>
</tr>
<tr>
<td></td>
<td>Number of information sessions or workshops held for people from culturally and linguistically diverse backgrounds</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>Number of culturally and linguistically diverse groups, peak bodies, other stakeholders consulted or engaged annually on development or implementation of projects, services, policies and programs</td>
<td>Data not available</td>
</tr>
<tr>
<td>Improved recruitment and retention strategies for staff from CALD backgrounds</td>
<td>Number and percentage of staff indicating they are from non-English speaking background</td>
<td>148 - 14.8%</td>
</tr>
<tr>
<td></td>
<td>Number of complaints about racial discrimination within the department</td>
<td>1</td>
</tr>
</tbody>
</table>
TRY 02069 – ATTACHMENT 4
Publishing approval form

This form must be completed to the appropriate level of authorisation prior to publication and release of your document including hard copy or on a web site. This form outlines the authorisation requirements for all offices, and covers the publication of all documents intended for public release. For more information about this form, please contact the communication unit in your office.

Publication: Qld Treasury and Trade 2011-12 Annual Report
File/Ref No: PS 2012/386

Contact officer: Margaret Smith
Contact No: 3035 3532

Originating portfolio office: Corporate Services, Communication and Web Services

Communication officer: As above
Contact No: As above

Designer: Aneala Tate
Contact No: 3035 3522

X Document will be posted on the web
Please approve the attached by: 16/10/12

X Document will be printed in hard copy

Contact officer
Signature    Date
Margaret Smith    Principal Consultant
Please print name

Director
Signature    Date
Please print name
Position

Executive Director/AUT
Signature    Date
Please print name
Position

Deputy Under Treasurer
Signature    Date
Please print name

Under Treasurer
Signature    Date
Helen Gluer

The Under Treasurer will determine whether the material requires approval from the Treasurer

Treasurer
Signature    Date

Use of Treasurer’s electronic signature and photograph
Initial    Date
Publication background and explanatory notes:

| Purpose of these materials: | The Annual Report is a key accountability document and the principal way in which Treasury and Trade reports on its activities to Parliament and the wider community. |
| Intended audience: | Intended audience includes:  
  - Treasurer and Minister for Trade  
  - Assistant Minister  
  - departmental staff  
  - other Government agencies  
  - clients and stakeholders  
  - communities. |
| Release date: | The Annual Report will be printed and transmitted to the office of the Treasurer for tabling in Parliament. The Annual Report must be tabled by 31 October 2012, however, the Treasurer’s Office has indicated a preference for tabling by 29 October 2012. |
| Quantity: | 50 (of which 40 are required for tabling) |
| Distribution method: | The Treasury and Trade website is the principal way for people to access the annual report. Minimal hard copies will be printed, primarily for tabling and legal deposit (the State Library, State Archives, etc). |
| Notes and special instructions: | Nil. |
BRIEFING NOTE

FROM	Treasury and Trade
FOR	Treasurer and Minister for Trade
SUBJECT	Proposal to review annual reporting requirements

Contact Officer: Margaret Smith, Communication and Web Services, 3035 3532
Record No: TRY-02353
Date: 8/11/12
Requested by: Gerard Benedet
Date Approval Required By: N/A

PURPOSE

1. The purpose of this submission is to provide a letter (Attachment 1) to the Honourable Campbell Newman MP, Premier requesting that the annual reporting requirements for agencies be reviewed.

BACKGROUND

2. The Queensland Treasury and Trade Annual Report 2011-12 was tabled in Parliament on Wednesday, 31 October 2012 (TRY-02070). In your response to the original briefing note, TRY-02070 (Attachment 2), you proposed that the department write to the Premier to recommend streamlining the content requirements for annual reports.

ISSUES

3. An annual report is an accountability document with content that generally falls into three broad (but not exhaustive) categories:

   - service information – in which agencies report against the objectives in their strategic plans and Service Delivery Statements – and other information relating to the jurisdiction of the agency

   - financial and resource management information – in which they provide financial statements and other quantitative data such as numbers of employees and consultancy expenditure

   - corporate information – reports of practices at the agency and whole-of-Government (WOG) level, such as human resources, workplace health and safety, ethics, corporate governance structures, and operational practices such as records management. Some of this information is driven by WOG reporting commitments. However, much of it could be considered unrelated to agency performance.

Specific content is prescribed each year in the Annual Report Guidelines for Queensland Government Agencies, released by the Department of the Premier and Cabinet.

4. For the 2011-12 annual reports, some corporate content – including document and records management, initiatives for women and carers, and other items – was taken out of printed annual reports and only published online. This has streamlined agencies' printed annual reports somewhat, and is broadly in keeping with the Government's interests in reducing red tape.

5. To take that objective further, it is proposed that annual reporting requirements for agencies be reviewed with a view to reducing the amount of corporate information required.

6. To this end, a letter to the Premier is attached.
RECOMMENDATION

7. It is recommended that you sign the attached letter to the Premier, proposing that the annual reporting requirements be reviewed.

<table>
<thead>
<tr>
<th>Helen Gluer</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Treasurer</td>
<td>/</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approved</th>
<th>Not approved</th>
<th>Noted</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tim Nicholls</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer and Minister for Trade</td>
<td>/</td>
</tr>
<tr>
<td></td>
<td>/</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Name</th>
<th>Action Officer/Author</th>
<th>Director</th>
<th>ED/AUT</th>
<th>OUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margaret Smith</td>
<td>K. Hampson</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branch/Division</td>
<td>Information &amp; Communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>3035 3532</td>
<td>3035 3200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>8/11/12</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* This officer may be required to provide further detailed information regarding the issue.
TRY-02353

The Honourable Campbell Newman MP
Premier of Queensland
PO Box 15185
CITY EAST QLD 4002

Dear Premier

The Queensland Treasury and Trade Annual Report 2011-12 was tabled in Parliament on Wednesday, 31 October 2012.

Each year, annual report guidelines for Queensland Government agencies prescribe the content for agencies’ annual reports. A significant amount of that content is about practices at the agency and whole-of-Government level, such as workforce management, ethics, operational practices, corporate governance structures and initiatives for specific target groups. This can be considered unrelated to an agency’s performance, in that it does not relate to financial performance, nor progress toward objectives in strategic plans and Service Delivery Statements.

This year, some of that content was omitted from printed versions of annual reports and only published online. While this reduced the content required in the printed annual report, the reporting requirement for this information remained.

In taking this further, I would like to indicate my support for removing the requirement to report on this information altogether where appropriate. This may be conducted as part of a broader review of the guidelines to reduce our own ‘red tape’ and focus annual reports on their core objectives—financial and service performance reporting.

To discuss further, I invite a representative from your department to contact Ms Margaret Smith, Principal Consultant, Communication Services in my department on (07) 3035 3532 or email margaret.smith@treasury.qld.gov.au

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
BRIEFING NOTE

FROM: Treasury and Trade
FOR: Treasurer and Minister for Trade
SUBJECT: Proposed appointment to Government Statistician

Contact Officer: Antony Skinner, Government Statistician, 3035 6400
Requested by: N/A

Record No: TRY-02562
Date: 26/11/12
Date Approval Required By: / / 

PURPOSE

1. The purpose of this submission is to seek your approval of a proposed appointment to Government Statistician and the approval of the related Executive Council Minute.

BACKGROUND

2. As Treasurer and Minister for Trade your Principal Ministerial Responsibilities includes Government Statistics and administration of the Statistical Returns Act 1896 (SRA). Section 3A of the SRA provides for the Governor in Council to appoint a person to be Government Statistician.

3.  

ISSUES

4. Following the recent restructure of Queensland Treasury and Trade and an assessment of roles and responsibilities of executive management, it is proposed that the appointment to Government Statistician be transferred from Dr Ward, Acting Deputy Under Treasurer – Economic and Structural Policy, to Mr Antony Skinner, Director – Government Statistician.

5. Mr Skinner has held the position of Director within the former Office of Economic and Statistical Research since 2005 and was appointed to the position of Government Statistician in an acting capacity from March to October 2010.

6. The proposed appointment requires approval of an Executive Council Minute by the Governor in Council.
RECOMMENDATION

7. That you approve the proposed appointment of Mr Skinner to Government Statistician and the related Executive Council Minute.

<table>
<thead>
<tr>
<th>Helen Gluer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Treasurer</td>
</tr>
<tr>
<td>Date / /</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approved</th>
<th>Not approved</th>
<th>Noticed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer and Minister for Trade</td>
<td>Comments</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tim Nicholls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer and Minister for Trade</td>
</tr>
<tr>
<td>/ /</td>
</tr>
</tbody>
</table>

*This officer may be required to provide further detailed information regarding the issue*
BRIEFING NOTE

FROM | Treasury and Trade
FOR | Treasurer and Minister for Trade
SUBJECT | Sponsorship receipt for the whole-of-Government Fraud Awareness Day
Contact Officer: Louise Eglinton, Finance Branch, Corporate Services 3035 3317
Record No: TRY-02894
Date: 14/01/13
Requested by: N/A
Date Approval Required By: 28/01/13

PURPOSE

1. To approve the receipt of sponsorship in Queensland Treasury and Trade (QTT) to cover the expenses of the Fraud Awareness Day on 12 February 2013, a whole-of-Government training and awareness day.

BACKGROUND

2. The Under Treasurer has approved for QTT to host a Fraud Awareness Day on 12 February 2013, TRY-02705 (Attachment 1). The Fraud Awareness Day will consist of a series of speakers and workshops (see Invitation - Attachment 2) and is being made available to all government agencies. The maximum number of attendees is 300.

3. Costs are being kept to a minimum and covered within existing department resources where possible. Where resources cannot be met internally, it is intended that the expenses will be covered by sponsors.

ISSUES

4. The Department of Housing and Public Works is providing the venue, at 80 George Street, at no cost.

FINANCIAL IMPLICATIONS

5. Speakers at the event are either Government officials, or are being provided at no cost by sponsors, including the Commonwealth Bank of Australia, Deloitte Australia and Queensland University of Technology.

6. Negotiations with sponsors are taking place with respect to catering and other residual costs.

7. As per QTT’s delegations and the Queensland Government sponsorship policy, your approval to receive the abovementioned sponsorship is required.

8. All costs associated with the Fraud Awareness Day will be met by sponsors or other agencies via in-kind contributions, including venue hire and speakers.
RECOMMENDATION

9. That you approve the receipt of:

- sponsorship from external parties to cover the cost of the Fraud Awareness Day
- contributions to expenses from other Queensland Government departments via in-kind support.

Helen Gluer
Under Treasurer

[Approval Table]

Tim Nicholls
Treasurer and Minister for Trade

[This officer may be required to provide further information regarding the issue]
UNDER TREASURER

SUBJECT
Fraud Awareness Day

BACKGROUND
Finance Branch, Corporate Services have been developing fraud awareness training for all employees as per the recommendations in the Auditor General Report No. 5 for 2012. It is anticipated that the fraud training will be released together with a new department fraud plan, a revised fraud and corruption mitigation policy, a revised public interest disclosure policy and internal control structures for every division.

To release this material and promote a strong ethical workforce within Queensland Treasury and Trade (QT), it is proposed that the department hold a Fraud Awareness Day. The highlight of the Fraud Awareness Day will be a seminar available to all Government agencies promoting fraud awareness and considerations within the public service.

The Fraud Awareness Day has been discussed in principle with other government departments, some of which are interested in providing support. The event will coincide with Queensland Health’s plan for ‘Fraud month’ in their department.

CURRENT STATUS
Finance Branch, Corporate Services intend to lead the Fraud Awareness Day with the support of the Information and Communication Branch.

A provisional date for the Fraud Awareness Day is 12 February 2013. The event will be publicised to all Queensland Government agencies with the aim of gaining as much benefit as possible for the public service and maximising the potential attendees.

80 George Street is the most appropriate location due to its size and proximity. This venue is available at a cost from the Department of Housing and Public Works (HPW) for $1,328, although due to the whole-of-Government benefit, HPW will be approached to waive the booking fee.

Catering will be required for participants; sponsors will be approached to cover the cost of these in exchange for display of their materials. Commonwealth Bank of Australia (CBA) and CPA Australia have been contacted for this purpose.

Initial contact has been made with fraud representatives in the Queensland Police Service, the Crime and Misconduct Commission, Deloitte, the Public Service Commission and Queensland University of Technology (QUT) with a view to providing speakers and/or support to the event.
It is suggested that the day is introduced by yourself and/or the Director-General of the Department of Premier and Cabinet (DPC). The morning will then consist of four presentations on different fraud topics, with a break in the middle. The afternoon will provide an option for participants to attend smaller workshops. Suggested workshops are QUT – management of fraud in the public sector, CBA – corporate card fraud, CPA Australia – fraud skills for accountants and a case study on grant fraud to be presented by the Manager of Governance, Department of State Development, Infrastructure and Planning.

The planning, organisation and marketing of the event can be supplied using existing resources. It is therefore intended that the event will be at further expense to the department (with the exception of the potential venue cost).

CONSULTATION

The following agencies have already indicated their support and/or endorsement of the event:

- Queensland Health (to align with their department wide fraud awareness month)
- DPC
- Department of Justice and Attorney General
- Department of State Development Infrastructure and Planning
- Department of Local Government.

Other agencies have indicated support verbally and confirmation in writing will be sought.

RECOMMENDATION

It is recommended that you support the department hosting the proposed Fraud Awareness Day and QTI taking the lead in fraud awareness and education within Queensland Government.

Prepared by:
Duncan Anson
Director
Finance Branch
Tel: 3035 3300

Date: 11/12/12

Recommendation approved:

Date:
You are invited

On Tuesday 12 February 2013, Queensland Treasury and Trade will host the inaugural Fraud Awareness Day.

For more information visit www.treasury.qld.gov.au/fraud-awareness
BRIEFING NOTE

FROM | Treasury and Trade
FOR | Treasurer and Minister for Trade
SUBJECT | First Home Owner Construction Grant communication plan
Contact Officer: Andrew Morrissey, Corporate Services, 3035 3533
Record No: TRY-03037
Date: 22/02/13
Requested by: Gerard Benedet
Date Approval Required By: 23/02/13

PURPOSE

1. The purpose of this submission is to seek your approval on the attached First Home Owner Construction Grant (FHOCG) communication plan (Attachment A).

BACKGROUND

2. As part of the 2012-13 State Budget, the Government introduced the $15,000 FHOCG. Replacing the First Home Owner Grant, the FHOCG is available to first home buyers who will be buying or building a new home.

3. The goal of the FHOCG is to support a more supply-based response to home affordability for first home buyers. The FHOCG will provide a sustained and targeted boost to both first home buyers and the construction industry.

4. It has been estimated the FHOCG will be paid to around 3,000 applicants in 2012-13 and around 4,000 applicants in 2013-14. The FHOCG is estimated to cost between $45-60 million per annum across the forward estimates.

5. As at the end of December 2012, 235 FHOCG applications had been received and 217 FHOCGs had been paid. Additionally, the Office of State Revenue (OSR) call centre data indicates minimal enquiries relating to the FHOCG since its introduction last year.

6. A communication campaign to promote the FHOCG has been approved by the Cabinet Budget Review Committee (CBRC). It will raise awareness of the FHOCG among first home buyers and work in partnership with the property industry and other key stakeholders to leverage on existing retail marketing channels.

ISSUES

7. The FHOCG communication plan and attachments outline an advertising campaign and associated activities. The FHOCG communication plan incorporates market research outcomes, campaign audiences and messaging, two creative options which were market tested, media schedule options, timing and budget.

8. In preparing this FHOCG communication plan, advertising agency GPY&R has been commissioned to develop creative options, media buying agency MediaCom has been commissioned to prepare media schedules and market research agency TNS Global was commissioned to conduct market research.

9. Two creative options for the campaign were focus group tested with first home buyers. The research report was submitted to the Treasurer’s Office and Premier’s Office and a concept has now been approved to proceed to production. As part of the campaign, the FHOCG will be re-branded as the ‘Great Start Grant’.
FINANCIAL IMPLICATIONS

10. Sch. 3(2)(1)(b)

MEDIA RELEASE

11. A draft media release and other material to support a campaign announcement will be drafted for consideration by the Treasurer’s Office.

RESULTS OF CONSULTATION

12. OSR has been consulted to provide market intelligence and review all campaign material for technical accuracy and correctness. The Department of the Premier and Cabinet has been engaged throughout the campaign development to date and will be provided with material for processing and approval as required. Agencies (GPY&R, MediaCom and TNS) have provided extensive market intelligence to inform the campaign direction and approach.

13. Along with paid advertising, the other key part of the campaign will be to engage with the property industry and other key stakeholders to develop a partnership approach to promote the FHOGC. A consultation process for the industry is outlined for review in the FHOCG communication plan.

14. As the campaign progresses, further updates and material will be provided direct to your office for review and feedback.

RECOMMENDATION

15. That you review and approve the FHOCG communication plan and attachments.

Helen Gluer  
Under Treasurer

☐ Approved  ☐ Not approved  ☐ Noted

Treasurer and Minister for Trade  Comments

Tim Nicholls  
Treasurer and Minister for Trade

*This officer may be required to provide further information regarding the issue.
COMMUNICATION PLAN

First Home Owner Construction Grant communication campaign

Contact name: Andrew Morrissy
Phone: 3035 3533
Email: andrew.morrissy@treasury.qld.gov.au
CONTENTS

BACKGROUND 4
MARKET RESEARCH 6
OBJECTIVES 13
TARGET AUDIENCES 13
KEY MESSAGES 13
CREATIVE STRATEGY 14
MEDIA STRATEGY 16
TIMING 17
BUDGET 20
First Home Owner Construction Grant
Communication Plan

1. BACKGROUND

As part of the 2012-13 State Budget, the Queensland Government introduced the $15,000 First Home Owner Construction Grant (FHOCG).

The grant is available to first home buyers who will be buying or building a new home on or after 12 September 2012. The grant is available for:

- contracts to buy a new home (including off-the-plan)
- contracts to build a new home
- new homes being built by an owner-builder where the date the foundations start to be laid is on or after 12 September 2012.

A new home is one that:

- has not been previously occupied as a place of residence,
- has not been previously sold as a place of residence, or
- is a substantially renovated home (in certain circumstances).

The grant replaces the previous First Home Owner Grant (FHOG) — FHOG eligibility requirements apply to the grant, including a cap amount of $750,000.

The goal of the FHOCG is to support a more supply based response to home affordability for first home buyers. The grant will provide a sustained and targeted boost to both first home buyers and the construction industry.

It has been estimated the grant will be paid to around 3,000 applicants in 2012-13 and around 4,000 applicants in 2013-14. The grant is estimated to cost between $45-60 million per annum across the forward estimates.

As at the end of December, 235 grants applications had been received and 217 grants had been paid.

As the 2012-13 Mid Year Fiscal and Economic Review notes: “this partly reflects, for contracts to build a home, applicants not being eligible to receive payment until either completion of construction or, in the case of applicants applying through a financial institution, until the first draw down of funds has occurred. Hence, it will take more than six months before the impact of the grant on encouraging activity in the construction sector can be clearly assessed, allowing for the lag between signing a contract and construction.”

Across Australia, there is some evidence that the new/revised first home buyer incentives are starting to make an impact, although some differences have been noted compared to previous grants — see Attachment 1 First home buyer boost comes with a catch.
First Home Owner Construction Grant
Communication Plan

The First Home Owner Construction Grant communication campaign will support the FHOCG by raising awareness of the grant among first home buyers and associated stakeholders (eg building and construction industry, financial institutions).

The campaign will segment messaging and placement to specifically target the portions of the first home buyer market that have the means and desire to buy a new home but may not be aware of the grant or their eligibility. The campaign will direct them to a dedicated website to find out more information, check their grant eligibility, and apply for the grant.

An overview of in-market communication activities for other jurisdictions is outlined in Attachment 2.

Some sections of the property development industry were quick to promote the grant following its launch. The campaign will build on this activity by partnering with industry and developing collateral material suitable for promotion through existing retail marketing channels.

Importantly, the campaign message/s will focus on providing information on the grant, and will avoid providing or seeking to provide market advice on property investment.
2. MARKET RESEARCH

The market research for the communication campaign comprises data from the Office of State Revenue (OSR), market intelligence from the property industry (to come), and market research of creative concepts with first home buyers.

2.1 Office of State Revenue data analysis

Table 1 outlines the grants received and paid for both the First Home Owner Construction Grant and the First Home Owner Grant in 2012.

<table>
<thead>
<tr>
<th>2012</th>
<th>FHOG</th>
<th></th>
<th>FHOCG</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Received</td>
<td>Paid</td>
<td>Received</td>
<td>Paid</td>
</tr>
<tr>
<td>Jan</td>
<td>1,754</td>
<td>1,699</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Feb</td>
<td>1,754</td>
<td>1,694</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Mar</td>
<td>2,085</td>
<td>2,005</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Apr</td>
<td>1,688</td>
<td>1,619</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>May</td>
<td>1,947</td>
<td>1,893</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Jun</td>
<td>1,792</td>
<td>1,721</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Jul</td>
<td>1,908</td>
<td>1,842</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Aug</td>
<td>2,025</td>
<td>1,986</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Sep</td>
<td>1,827</td>
<td>1,778</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Oct</td>
<td>2,389</td>
<td>2,335</td>
<td>32</td>
<td>28</td>
</tr>
<tr>
<td>Nov</td>
<td>1,666</td>
<td>1,657</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>Dec</td>
<td>487</td>
<td>452</td>
<td>105</td>
<td>91</td>
</tr>
</tbody>
</table>

1. The $7,000 First Home Owner Grant for established property only applies to homes bought before 11 October 2012.
2. The above information is accurate as at 4 December 2012 and is subject to change.

When the FHOCG was introduced, the bulk of the calls received by OSR were ‘date related’ in relation to clients who purchased an established home and were concerned about the changes to the $7,000 grant.

Enquiries about the construction grant were minimal and these mainly related to the definition of a ‘new home’. Chart 1 shows the incoming calls for FHOG/FHOCG between July 2012 and December 2012. As evident, following the release of the State Budget, a spike in calls in the months of September and October 2012 resulted.
An analysis of the current statistics indicates that the majority of calls for the construction grant are:

- seeking general information about the grant
- about the eligibility criteria for the grant
- about how to apply.

The call centre escalates approximately 40% of calls back to OSR. Most of the calls relate to ‘eligibility’ and clients want to know about:

- the role their spouse plays in the application and eligibility process
- clarification of the cut-off dates, and what does ‘before’ mean
- definitional issues around substantially renovated (ie not a DIY renovation)
- issues around the permanent residency requirements.
Residential land in Queensland can be broadly categorised into two groups:
- Land with a concession – this is land purchased as a home or a first home
- Land with no concession – this is land purchased for investment purposes.

On an annual basis since 2009-10, there has been an approximately 50/50 split between home (including first home) purchases and investment purchases. However, in 2011-12 the concession for home buyers was removed making analysis for this period difficult. Chart 2 shows the proportion of home and investment purchases by quarter.

Chart 2 Proportion of Queensland residential land transfers

In Queensland, there is very little seasonality in land purchases. Generally speaking, the first half of each financial year will see more transactions than the second half. However, the difference is not significant. Table 2 shows the number of residential land transfers by year, split between home and investment purchases.

<table>
<thead>
<tr>
<th>Table 2 Number of residential land purchases</th>
<th>Queensland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009-10</td>
</tr>
<tr>
<td>Residential land home purchase¹</td>
<td>81,615</td>
</tr>
<tr>
<td>Residential land investment purchase</td>
<td>74,587</td>
</tr>
<tr>
<td>Total</td>
<td>156,202</td>
</tr>
</tbody>
</table>

Notes:
1. Includes home and first purchases.
First Home Owner Construction Grant  
Communication Plan

Table 3 outlines the proportion of first home owner grant recipients by age for new and established property.

<table>
<thead>
<tr>
<th></th>
<th>&lt;25</th>
<th>25-29</th>
<th>30-34</th>
<th>35-39</th>
<th>40-44</th>
<th>45-49</th>
<th>50+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2008-09</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP</td>
<td>20%</td>
<td>24%</td>
<td>16%</td>
<td>11%</td>
<td>6%</td>
<td>4%</td>
<td>4%</td>
<td>85%</td>
</tr>
<tr>
<td>NH</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>24%</td>
<td>28%</td>
<td>19%</td>
<td>13%</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>2009-10</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP</td>
<td>14%</td>
<td>21%</td>
<td>14%</td>
<td>10%</td>
<td>6%</td>
<td>4%</td>
<td>4%</td>
<td>72%</td>
</tr>
<tr>
<td>NH</td>
<td>6%</td>
<td>8%</td>
<td>5%</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>28%</td>
</tr>
<tr>
<td>Total</td>
<td>20%</td>
<td>29%</td>
<td>19%</td>
<td>13%</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>2010-11</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP</td>
<td>16%</td>
<td>26%</td>
<td>17%</td>
<td>11%</td>
<td>7%</td>
<td>4%</td>
<td>4%</td>
<td>85%</td>
</tr>
<tr>
<td>NH</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>19%</td>
<td>30%</td>
<td>21%</td>
<td>13%</td>
<td>8%</td>
<td>5%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>2011-12</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EP</td>
<td>19.5%</td>
<td>21.8%</td>
<td>19.3%</td>
<td>11.6%</td>
<td>7.3%</td>
<td>4.4%</td>
<td>3.5%</td>
<td>87.4%</td>
</tr>
<tr>
<td>NH</td>
<td>3.1%</td>
<td>3.3%</td>
<td>2.7%</td>
<td>1.9%</td>
<td>0.5%</td>
<td>0.6%</td>
<td>0.5%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Total</td>
<td>22.6%</td>
<td>25.1%</td>
<td>21.9%</td>
<td>13.5%</td>
<td>7.8%</td>
<td>5.0%</td>
<td>4.1%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**EP** – Existing Property

**NH** – New Home

As can be expected, the majority of property transfers in Queensland occur in areas with the highest population. Brisbane, the Gold Coast and the Sunshine Coast account for over two-thirds of residential property transfers each year. Chart 3 shows the average annual proportion of total transfers from each statistical division. No region has a significantly higher, or lower, proportion of investment property transfers.
2.2 New first home buyer demographic overview

Media buying analysis indicates generally that families in their early 30s are typically first time buyers of new homes. More broadly, they are defined as people aged 25-44 who earn $60K+ and are currently renting.

Of these people:
- 50-50 male-female
- 56% 25-34
- 44% 35-49
- Mean age 34
- 70% married/de facto
- 16% single
- 62% Gen Y
- 67% live in SEQ and commute 13Ks to work
- 33% live in regional Qld and commute 24Ks to work
- Over 200 times more likely to build or buy a new home
- 5% (10,000) actively looking to buy in the next 12 months.

Typically it takes this group four years to save for a new home, with the transaction process divided into three phases:
- Awareness (1 month to 3 years out)
- Consideration (1 to 12 months out)
- Purchase (0 to 3 months out)
2.3 Creative concept market research

Two creative concepts were developed for testing with first home buyers – ‘Great’ and ‘Best Friend’ (see CREATIVE STRATEGY for more information).

TNS Global was commissioned to conduct qualitative focus groups with first home buyers in Brisbane and Townsville in early February. Townsville was selected as a regional location as OSR data indicates this is a hotspot for this market.

Each group comprised between 6-8 people. Across the groups, approximately two thirds were in the market for a new home (build or buy) with the remaining in the market for an existing home. A mix of suburb, age and gender (where practicable) were included across all four groups. The stimulus material for the groups is attached in Attachment 3.

The focus groups targeted three key areas:
- Awareness of the grant
- Comprehension of the messages in each creative concept
- Understanding of the call to action in each creative concept.

The report recommended the ‘Great’ concept be adopted as the creative concept for the campaign. The concept is stronger for cut through and message comprehension for eligibility of the grant.

In addition, three alternative grant names were tested with focus group participants. The ‘Great Start Grant’ name tested most strongly with participants. Great Start Grant will replace First Home Owner Construction Grant across all advertising material, application forms, fact sheets and website info following the commencement of the campaign.

The concept and grant name have been approved by the Treasurer’s Office and Premier’s Office.

The research report outlining the findings of the focus groups is attached in Attachment 4. The response to the recommendations in the report is outlined in Attachment 5.

See BUDGET for more information
2.4 Property industry research and engagement

To supplement and support both the internal analysis and market research, a program of consultation and engagement will occur with the property industry.

The consultation will have three main purposes:

- Gather market intelligence and data from the industry which may help inform the campaign
- Inform and seek feedback on the campaign approach including the creative concept (following focus group testing)
- Identify and leverage opportunities to partner with the industry to promote the grant and gain greater ROI on campaign investment (eg co-branding of retail market activities, launch, PR activities etc)

Consultation will seek to gather formal advice from the industry on the demographic and geographic trends of Queensland’s first home buyers and qualitative updates from developers and sales desks on enquiry types, buyer knowledge and any trends being experienced by frontline sales staff.

The introduction of the FHOCG was broadly welcomed by the industry’s peak bodies – refer to Attachment 6.

It is recommended this consultation occur immediately following focus group testing.

Given the tight timing of the campaign, it is suggested the industry’s peak bodies are approached first:
- Property Council of Australia, Queensland Division
- Master Builders Queensland
- Housing Industry Association
- Urban Development Institute of Australia (Qld)

Following this, the department can engage with key property development bodies such as Stockland, Devine Homes and Lend Lease.

If approved, presentation material for the consultation will be submitted for feedback and review prior to engagement.

2.5 Campaign monitoring and evaluation

The research conducted will also provide a basis for ongoing campaign monitoring and evaluation. A key evaluative measure for the campaign will be the number of grant applications and associated business activity, eg call centre activity and feedback. The grant website will provide a regular source of reporting to track and measure campaign effectiveness. The property industry will also be engaged to gauge market sentiment.
3. OBJECTIVES

3.1 Primary objectives
1. Increase awareness of the First Home Owner Construction Grant to build reach with first home buyers in market or considering
2. Create engagement with first home buyers at all stages of the transaction process to facilitate access to the grant
3. Generate response among first home buyers to build uptake of the grant during and following the campaign period

3.2 Secondary objectives
4. Increase awareness of the economic importance of the grant and its impact on Queensland’s economy, specifically for the building and construction industry
5. Ensure awareness of the grant among key influencers of first home buyers

4. TARGET AUDIENCES

4.1 Primary audiences — buyers
- First home buyers seeking to buy or build new property (in market and considering)
- First home buyers seeking to purchase existing property (in market or considering)

4.2 Secondary audiences — non-buyers benefiting from the grant
- ‘Influencers’ of first home buyers
- Building and construction industry
- Property industry peak bodies
- Office of State Revenue clients and stakeholders for example the financial institutions which assist home buyers with their applications, mortgage brokers and other lenders
- General population (adult residents 18+)

5. KEY MESSAGES

While ensuring messages resonate with first home buyers (and other audiences) at all stages of the home buying process, the key proposition of the campaign is that the grant will help you get ahead.

5.1 Primary messages
1. A new $15,000 grant is available for first home buyers to buy or build a new home.
2. The grant can be used for houses, units and apartments — you can even build yourself or buy off-the-plan.
3. The $15,000 grant may just be the kick start your home deposit needs.
4. It’s easy to find out if you’re eligible and to apply for the grant.
5. The grant is a much-needed economic boost for Queensland’s building industry.
6. CREATIVE STRATEGY

6.1 Creative agency and strategy overview

GPY&R, originally appointed by the Department of the Premier and Cabinet in 2012, has been retained to develop above-the-line creative material for the campaign.

GPY&R’s creative strategy, including the two market-tested TVC concepts, is outlined in Attachment 7.

The creative strategy is divided between the two key audience groups:
- consumer audiences (first home buyers)
- trade audiences (building and construction industry etc).

Consumer activities will inform and engage while trade activities will seek to leverage off existing channels to deliver greater impact.

See BUDGET for more information.

6.2 Channel selection

In communicating the campaign messages to these audiences, three main channels will be used:
- **TV**, featuring a 30 sec commercial and 15 sec cut-downs for specific segments, such as unit buyers
- **Online**, including a dedicated website, real estate site advertising, smart phone app and search engine optimisation
- **Trade**, including direct mail to industry and digital collateral for co-branding at point-of-sale etc

The selection of these channels is further expanded in the MEDIA STRATEGY section.

6.3 Creative development

6.3.1 Television commercials
Primary focus has been on the development of creative concepts for the TVCs. Two concepts will be market tested in early February. Once a concept has been approved, it will be rolled out across all other campaign activities.

6.3.2 Campaign website
Across all advertising and campaign activities, the key call to action is for first home buyers to visit the grant website to find out if they’re eligible and to apply.
First Home Owner Construction Grant
Communication Plan

The site (www.greatstartgrant.qld.gov.au) will be a targeted site featuring plain English summaries of the grant, eligibility criteria, duty calculator, and the application form.

A map of the proposed site is outlined in Attachment 8. The site will be fully compatible with smart phones, iPads and other mobile technology. In-house web and design resources will be used to build and maintain the campaign website with assistance from the agency where required.

A dedicated site will also provide a useful monitoring tool for the campaign, as site visits and downloads can be actively tracked and reported. Once the campaign has ended, the website will be decommissioned and content will be migrated to the OSR website.

To establish a dedicated site, approval is required from Smart Service Queensland (SSQ). SSQ has the ability to block the creation of the website.

6.3.3 Other digital creative options
The agency has recommended the development of a smart phone app to accompany the website. The app would offer some functionality to users not available on the website and extend market reach. Due to development timeframes, the app would not be available to coincide with the launch of the campaign (approx. 4 weeks post launch).

In addition, the agency has also recommended developing ‘infomercials’ to run via YouTube during the campaign (see p. 28-30 of Attachment 7).

6.3.4 Trade material
Material will be developed to assist trade stakeholders communicate and co-brand the campaign. Consultation will occur with the property industry to discuss suitable material to assist their promotion of the grant.

6.3.5 Other communication activities
- Brisbane Home Show – OSR has display space booked at the Brisbane Home Show on 2-10 March. The display space and accompanying collateral will reflect the Great Start Grant. Preceding the rollout of mass media advertising, the home show will be the public’s first exposure to the ‘Great Start Grant’ branding. The Home Show provides an opportunity for the Treasurer to attend for a photo opportunity with State Parliament also sitting during that week.
- Media releases, Ministerial Statements etc – as part of the promotion of the grant/campaign, media releases and Ministerial Statements will be prepared as required.
- PR opportunities – through the campaign development and consultation process, other PR opportunities such as partnerships with industry, milestone activities, and targeted messaging will be developed for review and consideration.

The final creative must be submitted to the Treasurer’s Office and Premier’s Office for approval prior to campaign commencement.
7. MEDIA STRATEGY

7.1 Media buying agency and strategy overview

As the Queensland Government’s whole-of-Government campaign media buyer, MediaCom has been engaged to develop a media buying strategy for the campaign.

MediaCom’s media buying strategy is outlined in Attachment 9.

The media strategy is focused on reaching first home buyers at all stages of the home transaction process:

- **Awareness** (1 month to 3 years out) – make sure all home buyers know about the grant
- **Consideration** (1-12 months out) – make sure all first home buyers have the $15,000 grant built into their transaction for new homes
- **Purchase** (0-3 months out) – make sure all first home buyers of new homes take up the grant

See BUDGET for more information.

7.2 Media selection

Across the three stages of the transaction process, online and TV feature most prominently as suitable media to connect with first home buyers of new property.

- **Awareness**: build reach through TV and online activity
- **Consideration**: create engagement through online activity and mobile
- **Purchase**: generate response through online activity, mobile and search engine marketing

Of note, almost 80% of all property searches now start on the internet. As part of the online media selection, it is proposed to develop a grant ‘hub’ on realestate.com.au to educate and assist first home buyers through every step of the home purchasing process. The hub will contain integrated, tailored content for the grant, including checklists, an eligibility tool, duty calculator and link back to the grant application form. The site will automatically direct users to the hub based on their search criteria.

Proposed media schedules for the campaign are attached — Attachments 10 and 11. Attachment 10 is an overall schedule and Attachment 11 shows the proposed spend for digital only. Note the schedule has an on-air date for TVCs of 10 March — this is one week prior to the current estimate as a stretch target.

The final media schedule/s must be submitted to the Treasurer’s Office and Premier’s Office for approval prior to campaign commencement.
8. TIMING

The campaign’s activities are proposed to commence in early March at the Great Start Grant display at the Brisbane Home Show (2-10 March). The Home Show provides an opportunity for the Treasurer to attend for a photo opportunity with State Parliament also sitting during that week (5-7 March).

The ‘Great Start Grant’ name will be introduced to the public at the Home Show. All fact sheets, application forms and other material will be updated to reflect this from 2 March onwards. In addition, the Office of State Revenue will brief the SSQ call centre to advise of the grant name change.

Currently, the television commercials are in pre-production with an estimated broadcast date of 17 March. A full production schedule is outlined in Attachment 12. Other advertising will commence from 17 March onwards to 30 June.

The Great Start Grant website is planned to launch in the week commencing 11 March. The website will provide information for both first home buyers and collateral/trade material for the property industry.

An overview of key milestone dates for the campaign is outlined below.
First Home Owner Construction Grant  
Communication Plan

<table>
<thead>
<tr>
<th>Item</th>
<th>Timing</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign brief with the Treasurer’s Office</td>
<td>18 January</td>
<td>Complete</td>
</tr>
<tr>
<td>Commission market research agency</td>
<td>24 January</td>
<td>Complete</td>
</tr>
<tr>
<td>Approval of creative concepts for testing</td>
<td>30 January</td>
<td>Complete</td>
</tr>
<tr>
<td>Focus group testing</td>
<td>Townsville – 5 February</td>
<td>Completed</td>
</tr>
<tr>
<td></td>
<td>Brisbane – 6 February</td>
<td></td>
</tr>
<tr>
<td>Focus group report delivered</td>
<td>14 February</td>
<td>Completed</td>
</tr>
<tr>
<td>Approval of preferred creative concept following market testing</td>
<td>18 February</td>
<td>Completed</td>
</tr>
<tr>
<td>Commission production company for TVC</td>
<td>20 February</td>
<td>Completed</td>
</tr>
<tr>
<td>Property industry stakeholder consultation</td>
<td>Week commencing 25 February</td>
<td>In progress</td>
</tr>
<tr>
<td>Campaign website build</td>
<td>Week commencing 25 February</td>
<td>In progress</td>
</tr>
<tr>
<td>TVC production</td>
<td>21 February – 15 March</td>
<td>In progress</td>
</tr>
<tr>
<td></td>
<td>Refer to Attachment 12 for</td>
<td></td>
</tr>
<tr>
<td></td>
<td>detailed overview</td>
<td></td>
</tr>
<tr>
<td>Brisbane Home Show</td>
<td>2-10 March</td>
<td>In progress</td>
</tr>
<tr>
<td>Updated application form, fact sheets, and references on QSR website</td>
<td>2 March</td>
<td>In progress</td>
</tr>
<tr>
<td>State Parliament</td>
<td>5-7 March</td>
<td>In progress</td>
</tr>
<tr>
<td>Campaign website live</td>
<td>11 March</td>
<td>In progress – including information for first home buyers and collateral/trade material for property industry</td>
</tr>
</tbody>
</table>
### First Home Owner Construction Grant Communication Plan

<table>
<thead>
<tr>
<th>Item</th>
<th>Timing</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVC final approval</td>
<td>14 March</td>
<td>For approval by the Treasurer’s Office/Premier’s Office</td>
</tr>
<tr>
<td>TVCs on air</td>
<td>17 March</td>
<td>Broadcast date will be brought forward if possible</td>
</tr>
<tr>
<td>Media placement - TVCs</td>
<td>17 March – 30 June</td>
<td>Media placements subject to availability – bookings now being secured</td>
</tr>
<tr>
<td>Media placement – digital</td>
<td>17 March – 30 June</td>
<td>Media placements subject to availability – bookings now being secured</td>
</tr>
<tr>
<td>Smart phone app launch</td>
<td>Week commencing 15 April</td>
<td>Option to launch smart phone app in market post-launch</td>
</tr>
<tr>
<td>Campaign monitoring and evaluation</td>
<td>Commence once campaign commences – track website, call centre, industry reports and other measures</td>
<td>To be established prior to campaign launch</td>
</tr>
<tr>
<td>State</td>
<td>YouTube</td>
<td>Twitter</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>NSW</td>
<td><a href="http://www.youtube.com/watch?v=lv3sgQGTUDY">http://www.youtube.com/watch?v=lv3sgQGTUDY</a></td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vic</td>
<td><a href="http://www.youtube.com/watch?v=45bheNFTd6I">http://www.youtube.com/watch?v=45bheNFTd6I</a></td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>‘Helping Victorians open the door to their first home’</td>
<td></td>
</tr>
<tr>
<td></td>
<td><a href="http://www.youtube.com/watch?v=lv3sgQGTUDY">Transcript</a> of video available on Vic SRO website</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>Advertising campaign materials found online</td>
<td>Advertising releases found.</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Tas</td>
<td>No</td>
<td>No advertising releases found.</td>
</tr>
<tr>
<td>SA</td>
<td>No</td>
<td>No advertising releases found.</td>
</tr>
<tr>
<td>WA</td>
<td>No</td>
<td>No advertising releases found.</td>
</tr>
<tr>
<td></td>
<td>NT</td>
<td>ACT</td>
</tr>
<tr>
<td>----</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>NT</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>ACT</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

campaign materials found online

generated by the WA Government to promote FHOG

FHOG mentioned in ministerial statement for 2012-13 NT mini budget

No advertising campaign materials found online

No media releases found

Test your eligibility questionnaire available online

Extensive FAQs available online

ACT Revenue Office website
GREAT START GRANT
IT’S THE FIRST-HOME BUYER’S BEST FRIEND

When you think of building sites in Queensland, one character comes to mind. The builder’s dog. Always there ready to help out or just give you a friendly wag of his tail. And when he brings you $15,000 he’s sure to be your best friend.

This campaign uses a tradie’s dog to communicate the Grant offer, and demonstrate how the QLD Govt is helping first homeowners get a great start in life.
VISION

This commercial opens on our dog in a non-descript grassy setting. He is running around in a small circle, chasing his tail.

We pull out to reveal that the dog is out the front of a home building site. There is a safety fence around it. Our dog turns and races towards a large corflute sign hanging in front of the site. It reads Great Start Grant and has a Queensland Govt logo and disclaimer.

Disclaimer: Administered by the Queensland Government First Home Owner Grant

We see the dog bound beside the sign, and tilt his head towards it.

We see a young couple arrive and be met by the site manager. They're obviously here for a weekly inspection. The dog races down to greet them.

We see our call to action greatstartgrant.qld.gov.au

We finish on the Queensland Govt Logo and sign-off Great state. Great opportunity.

Finish on Authorised Tag.

AUDIO

MUSIC UNDER:

V.O: When you're trying to save for a new home deposit, while still covering day-to-day expenses, it can really feel like you're chasing your tail.

That's why the Queensland Govt is offering the Great Start Grant. A $15,000 grant towards the cost of buying or building your new first home.

It really is the first-home buyer's best friend.

To find out if you're eligible and to apply, visit greatstartgrant.qld.gov.au

MUSICAL SIGN-OFF.

Authorised by the Queensland Govt, Brisbane.
This commercial opens on our dog in a non-descript grassy setting. He is running around in a small circle, chasing his tail.

V.O.: When you're trying to save for a new home deposit, while still covering day-to-day expenses...
FRAME 2: We pull out to reveal that the dog is out the front of a home building site. There is a safety fence around it.

V.O: ... it can really feel like you're chasing your tail.
Our dog turns and races towards a large corflute sign hanging in front of the site. It reads Great Start Grant and has a Queensland Govt logo and disclaimer. (Disclaimer: Administered by the Queensland Government First Home Owner Grant). We see the dog bound beside the sign, and tilt his head towards it.

V.O: That’s why the Queensland Govt is offering the Great Start Grant. A $15,000 grant towards the cost of buying or building your new first home.
FRAME 4: We see a young couple arrive and be met by the site manager. They're obviously here for a weekly inspection. The dog races down to greet them. We see our call to action greatstartgrant.qld.gov.au We finish on the Queensland Govt Logo and sign off Great state. Great opportunity.
V.O: It really is the first-home buyer's best friend. To find out if you're eligible and to apply, visit greatstartgrant.qld.gov.au MUSICAL SIGN-OFF Authorised by the Queensland Govt, Brisbane
VISION

This commercial opens on our dog outside a home building site. His extendable lead is tied up to a post. A much-chewed squeezy toy (maybe in the shape of a house) is slightly in the distance, and we see our dog eagerly trying to reach it. Alas, it's just out of his reach. He snarls in an annoyed fashion.

Cut to a large corflute sign hanging in front of the site. It reads Great Start Grant and has a Queensland Govt logo and disclaimer.

Disclaimer: Administered by the Queensland Government First Home Owner Grant

We see the dog bound in from out of frame and tilt his head towards it.

We see the dog race down to the back of a ute as couple arrive to view the home.

We see our call to action greatstartgrant.qld.gov.au

We finish on the Queensland Govt Logo and sign-off Great state. Great opportunity.

Finish on Authorised Tag.

AUDIO

MUSIC UNDER:

V.O: If you've been saving for your new first home, but that last little bit is just out of reach, here's a little help to get there sooner.

Introducing The Queensland Govt Great Start Grant. It gives you $15,000 towards the cost of buying or building your new first home.

It could be the extra kick your deposit needs, so it really is the first-home buyer's best friend.

To find out if you're eligible and to apply, visit greatstartgrant.qld.gov.au

MUSICAL SIGN-OFF.

Authorised by the Queensland Govt, Brisbane.
FRAME 1: This commercial opens on our dog outside a home building site. His extendable lead is tied up to a post. A much-chewed squeaky toy (maybe in the shape of a house) is slightly in the distance, and we see our dog eagerly trying to reach it. Alas, it's just out of his reach. He snarls in an annoyed fashion.

V.O: If you've been saving for your new first home, but that last little bit is just out of reach, here's a little help to get there sooner.
Introducing The Queensland Govt Great Start Grant. It gives you $15,000 towards the cost of buying or building your new first home.
FRAME 3: We see the dog race down to the back of a ute as couple arrive to view the home. We see our call to action greatstartgrant.qld.gov.au. We finish on the Queensland Govt Logo and sign-off Great state. Great opportunity. Finish on Authorised Tag.

V.O: It could be the extra kick your deposit needs; so it really is the first-home buyer’s best friend. To find out if you’re eligible and to apply, visit greatstartgrant.qld.gov.au. MUSICAL SIGN-OFF. Authorised by the Queensland Govt, Brisbane.
This commercial opens on our dog lying on the ground. He puts his paws over his eyes as if he can't bear to look.

We pull out to reveal he is sitting outside an almost completed low-set apartment complex, in somewhere like West End.

Cut to a large corflute sign hanging in front of the site. It reads Great Start Grant and has a Queensland Govt logo and disclaimer.

Disclaimer: Administered by the Queensland Government First Home Owner Grant

We see the dog bound in from out of frame and tilt his head towards it.

We see a young hipster couple arrive with some designer-style mini-dog. Our tradie dog ushers her towards the front door.

We see our call to action greatstartgrant.qld.gov.au

We finish on the Queensland Govt Logo and sign-off Great state. Great opportunity.

Finish on Authorised Tag.

V.O: Looking to buy or build your new first home? But can't bear to see another old, overpriced place.

Great news.

Introducing The Queensland Govt Great Start Grant. It gives you $15,000 towards the cost of buying or building a new unit or apartment.

It’s a great opportunity to get into the property market, so it really is the first-home buyer’s best friend.

To find out if you’re eligible and to apply, visit greatstartgrant.qld.gov.au

MUSICAL SIGN-OFF.

Authorised by the Queensland Govt, Brisbane.
This commercial opens on our dog lying on the ground. He puts his paws over his eyes as if he can't bear to look.

V.O.: Looking to buy or build your new first home? But can't bear to see another old, overpriced place.
We pull out to reveal he is sitting outside an almost completed low-set apartment complex, in somewhere like West End.

V.O: Great news.
Administered by the Queensland Government First Home Owner Grant

FRAME 3: Cut to a large corflute sign hanging in front of the site. It reads Great Start Grant and has a Queensland Govt logo and disclaimer. (Disclaimer: Administered by Queensland Government First Home Owner Grant) We see the dog bound in from out of frame and tilt his head towards it.

V.O: Introducing The Queensland Govt Great Start Grant. It gives you $15,000 towards the cost of buying or building a new unit or apartment. It’s a great opportunity to get into the property market, so it really is the first-home buyer’s best friend.
FRAME 4: We see a young hipster couple arrive with some designer-style mini-dog. Our tradie dog usher’s her towards the front door. We see our call to action greatstartgrant.qld.gov.au. We finish on the Queensland Govt Logo and sign-off Great state. Great opportunity. Finish on Authorised Tag.

V.O: To find out if you’re eligible and to apply, visit greatstartgrant.qld.gov.au. MUSICAL SIGN-OFF. Authorised by the Queensland Govt, Brisbane.
GREAT START GRANT
A GREAT WAY TO GET INTO YOUR FIRST HOME

This approach aims to tap into the simple human truths people feel about homes, first homes, building homes. The only words that get spoken by anyone in the commercial are ‘Great’ or ‘It’s great’, allowing for a simple memorable delivery of the Great Start Grant.
‘GREAT’ - LAUNCH

A fun bit of music plays under as we see our little scenes.

We open at a café – a young guy is trawling Apartments For Sale listings on a real estate website. His eyebrows raise as he sees one he likes “Great...” he says quietly to himself.

Cut to a young couple with a toddler in tow being shown around a newly-built townhouse by an estate agent. The woman obviously loves it but is trying to keep her emotions in check – while the agent’s back is turned, she mouths to her husband “It's great”

Cut to a young guy arriving home late in the evening with a female friend. As they stumble through the front door, we see his parents are still up and sitting in the lounge room watching re-runs of The Bill. “Great...” our guy sighs to himself.

We hear the voiceover:

The Queensland Govt wants to help you get into your new first home with The Great Start Grant. You’ll get $15,000 towards the purchase when you buy a new house, unit or townhouse. You can even choose to build yourself or buy off the plan.

Disclaimer: Administered by the Queensland Government First Home Owner Grant

Cut to a vacant land block far from the city. A man is standing on the roof of his car to get an idea of what the view would be like from the second floor. He shouts down to his wife ‘It's great!’

VO: It's a great opportunity to buy your kind of home in our great state.
To find out if you're eligible and to apply, visit greatstartgrant.qld.gov.au

We finish on the QLD Govt logo and line. Great State. Great Opportunity.
A fun bit of music plays under as we see our little scenes. We open at a café – a young guy is trawling Apartments For Sale listings on a real-estate website. His eyebrows raise as he sees one he likes. “Great...” he says quietly to himself.
FRAME 3: Cut to a young couple with a toddler in tow being shown around a newly-built townhouse by an estate agent. The woman obviously loves it but is trying to keep her emotions in check – while the agent’s back is turned, she mouths to her husband “It’s great!”
FRAME 3: Cut to a young guy arriving home late in the evening with a female friend. As they stumble through the front door, we see his parents are still up and sitting in the lounge room watching re-runs of The Bill. “Great…” our guy sighs to himself.

VO: The Queensland Govt wants to help you get into your new first home with The Great Start Grant…
FRAME 4: Cut to a vacant land block far from the city. A man is standing on the roof of his car to get an idea of what the view would be like from the second floor. He shouts down to his wife “It’s great!”

V.O: You'll get $15,000 towards the purchase when you buy a new house, unit or townhouse. You can even choose to build yourself or buy off the plan. (Disclaimer: Administered by the Queensland Government First Home Owner Grant)
It's a great opportunity to buy your kind of home in our great state. To find out if you're eligible and to apply, visit greatstartgrant.qld.gov.au
‘GREAT’ - NEW APARTMENTS

Open on our guy at a café, trawling through apartments for sale online.

VO: Found a newly built apartment you’d love as your first home? The QLD Govt could give you $15,000 towards your purchase.

Disclaimer: Administered by the Queensland Government First Home Owner Grant

Our young guy reacts ‘Great…”

To find out if you’re eligible and to apply, visit greatstartgrant.qld.gov.au

We finish on the QLD Govt logo and line. Great State. Great Opportunity.
Open on our guy at a café, trawling through apartments for sale online.

V.O: Found a newly built apartment you’d love as your first home! The QLD Govt could give you $15,000 towards your purchase. (Disclaimer: Administered by the Queensland Government First Home Owner Grant)

Our young guy reacts: "Great..."
To find out if you're eligible and to apply, visit greatstartgrant.qld.gov.au
‘GREAT’ - NEW BULD HOME

Open on a woman opening and closing various cupboards and wardrobes of a recently-built townhouse.

V.O: Looking for a new first home that gives you the space for a family to grow?
The QLD Govt could give you $15,000 towards your purchase.

Disclaimer: Administered by the Queensland Government First Home Owner Grant

Our woman turns towards her husband “It's great’

To find out if you're eligible and to apply, visit greatstartgrant.qld.gov.au

We finish on the QLD Govt logo and line. Great State. Great Opportunity.
Open on a woman opening and closing various cupboards and wardrobes of a recently-built townhouse.

V.O:
Looking for a new first home that gives you the space for a family to grow? The QLD Govt could give you $15,000 towards your purchase. (Disclaimer: Administered by the Queensland Government First Home Owner Grant)

Our woman turns towards her husband: "It's great"
To find out if you're eligible and to apply, visit greatstartgrant.qld.gov.au
‘GREAT’ - GET THERE SOONER

We open on our young guy arriving home late at night to find his parents still up in the living room watching TV. ‘Great...’ he sighs to himself.

VO: Need to buy your own first home, but struggling to save the deposit. Find out how the QLD Govt could give you $15,000 towards your savings.

Disclaimer: Administered by the Queensland Government First Home Owner Grant

To find out if you're eligible and to apply, visit greatstartgrant.qld.gov.au

We finish on the QLD Govt logo and line. Great State. Great Opportunity.
We open on our young guy arriving home late at night to find his parents still up in the living room watching TV. "Great..." he sighs to himself.

V.O: Need to buy your own first home, but struggling to save the deposit. Find out how the QLD Govt could give you $15,000 towards your savings. (Disclaimer: Administered by Queensland Government First Home Owner Grant)
We finish on the QLD Govt logo and line. Great State. Great Opportunity.

V.O: To find out if you’re eligible and to apply, visit greatstartgrant.qld.gov.au
FIRST HOME OWNERS
CONSTRUCTION GRANT CAMPAIGN
TESTING

SUMMARY REPORT - FINAL

Prepared For:
Queensland Treasury and Trade

Client Contacts:
Andrew Morrissy

TNS Consultants:
Sue-Anne Holzberger
Jason Davis

263101488
February 2013
# Table Of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary of findings</td>
<td>4</td>
</tr>
<tr>
<td>1. Background to the research</td>
<td>6</td>
</tr>
<tr>
<td>Objectives of this research</td>
<td>6</td>
</tr>
<tr>
<td>Target audiences</td>
<td>6</td>
</tr>
<tr>
<td>2. Methodology</td>
<td>7</td>
</tr>
<tr>
<td>3. The concepts</td>
<td>8</td>
</tr>
<tr>
<td>4. The Grant name</td>
<td>16</td>
</tr>
<tr>
<td>5. Communications</td>
<td>17</td>
</tr>
</tbody>
</table>

Please note that the data contained in this report has been prepared for the specific purpose of addressing the items contained in the project contract between TNS Australia and Queensland Treasury and Trade. It may not be suitable for other applications. The use of this data for any other purpose should be discussed with the lead author. TNS accepts no responsibility for unauthorized use of this data by a third party.
Summary of findings

The table below summarises the performance of each of the two concepts tested based on the qualitative focus groups.

Based on these findings we are suggesting that the Great concept be fine-tuned to be the campaign that is used to promote the Great Start Grant.

<table>
<thead>
<tr>
<th></th>
<th>Great</th>
<th>Best Friend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to cut-through with the target audience</td>
<td>✔️ ✔️</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td>Increase awareness of Great Start Grant</td>
<td>✔️ ✔️</td>
<td>✔️ ✔️</td>
</tr>
<tr>
<td>Be considered relevant and engaging</td>
<td>✔️ ✔️ ✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Encourage information seeking behaviour</td>
<td>✔️ ✔️ ✔️</td>
<td>✔️ ✔️ ✔️</td>
</tr>
</tbody>
</table>

Key: number of ticks = strength of performance

The rationale behind these outcomes and further recommendations are provided in the discussion which follows.

In terms of potential cut through and broad appeal, we feel that Great is in a stronger position than Best Friend.

Message comprehension is strong for both concepts, however we feel that the greater comprehension of the eligibility for the grant, makes the Great concept stronger overall.
Some **creative** recommendations to improve the **Great** concept include:

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Some confusion about the grant only applying to home units, town houses or apartments. We see this is coming more from the voice over than the visual elements of the execution.</td>
<td>1. Include reference to all types of housing in the voice over.</td>
</tr>
<tr>
<td>2. Although this concept does a good job of conveying that the grant applies to different demographic groups, this could be strengthened to ensure even broader relevance. There was some reference to the people depicted being stereotypically young, successful (yuppies etc.).</td>
<td>2. Visually depict an even greater range of household composition, clearly depicting singles (young and older), couples, families etc. Try to include different lifestyle situations and ‘types’ of people.</td>
</tr>
<tr>
<td>3. On the same point as above, there is a lack of cultural diversity in the executions.</td>
<td>3. Include a diversity of cultures in the executions if possible.</td>
</tr>
<tr>
<td>4. A very small issue was that the parents in one visual had their feet up, eating pizza and watching old episodes of ‘The Bill’. This does not resonate well with some viewers. (NB. The TV show was really only noted as the moderator read this description to participants).</td>
<td>4. Change the visual situation to include more relevant setting, food and a generic TV show.</td>
</tr>
</tbody>
</table>

Some **message** recommendations to improve the **Great** concept include:

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Although deposit was mentioned in one of the 15 sec executions, this did not come through strongly in message comprehension.</td>
<td>1. This is often the stumbling block for new home owners entering the market and as such stronger reference to this in the voice over would be beneficial.</td>
</tr>
<tr>
<td>2. Some confusion still exists as to the eligibility of different types of housing (units, townhouses, houses etc.) and new vs. existing housing.</td>
<td>2. Ensure that voice over helps to convey exactly what types of housing are eligible.</td>
</tr>
</tbody>
</table>
1. Background to the research

As part of the 2012-13 State Budget, the Queensland Government introduced the $15,000 First Home Owner Construction Grant. The grant is available to first home buyers who buy or build a new home.

Early in 2013, the Government will be promoting the grant and its benefits through an integrated advertising campaign (TVCs, online, property and trade industry engagement). The campaign will run until the end of the financial year.

The call to action for the new campaign is to build awareness of the grant and drive grant activity.

GPY&R were commissioned to develop a creative strategy for the campaign and provided two different concepts for testing, in storyboard format.

Queensland Treasury and Trade commissioned TNS to evaluate these two concepts, and provide guidance on which is most likely to achieve the campaign goals.

Objectives of this research

Qualitative concept testing research via focus groups was undertaken to determine:

- Awareness of the grant
- Reaction to the two concepts in terms of:
  - How the target market interpret the message
  - Whether the content and presentation engages the target audience
  - Whether the message and call to action are clear
  - If the advertising encourages the target audience to find out more about the grant, and potentially apply for it

Target audiences

The key target market for the campaign is Queensland first home buyers – currently in market, or considering potential.

Given the grant is only available for those buying or building a new home, the focus of the research will be on these people. However, it is possible that awareness of the grant may influence people’s decision to buy a new home (instead of an existing home), and as such some of this group were included in the research.
3. The concepts

Creative

Creatively, participants responded more positively to the Great concept than the Best Friend concept.

Creative strengths of the Great concept are:

- **It is seen to be engaging.** The use of the word ‘great’ is catchy and links to the name of the grant which is appealing.
- **Relevant** to a broad range of audiences through the visual depiction of various target audiences and also different house styles. Only showing the internal pictures of homes strengthens the relevance of the execution to various scenarios.
- Use of **humour** adds to the memorability of the execution.

Overall, this concept is considered **memorable, personally relevant**, and the majority appear to respond positively to the campaign when first exposed.

Memorability / cut-through indicator

The total proportion rating the concept as ‘worth remembering’ (a rating of 1 or 2, out of 5, on the rating sheet) is broadly considered the maximum achievable in terms of net reach (prompted recall). The proportion giving a rating of 1 (the highest score) is the minimum proportion expected to recall the ad provided the audience is sufficiently exposed to the campaign via the media buy.

Both concepts are considered to be quite memorable, however Great did achieve slightly higher top box ratings in the self-completion sheets and Best Friend tended to have a more polarising impact with a higher proportion not finding this concept memorable.

NB: Qualitative findings only – based on small samples
**Personal identification / relevance**

As shown below, the proportion that can personally identify with the Great concept is stronger than for the Best Friend concept. It would appear that just over two thirds of participants could relate to the Great concept. This increases its probability of being recalled, and the intended messages received correctly.

![Diagram showing personal identification]

NB: Qualitative findings only – based on small samples

**Initial responses**

The first question on the rating sheets was designed to gauge participants’ initial responses / first reactions to the concepts. This is the ‘closest’ we are able to get from a traditional research context in terms of how people are likely to respond in ‘real life’ when they are first exposed to the campaign, and enables us to identify which elements will drive recall (executional details, message, or emotional/internalised response).

These open-ended responses are analysed along with the feedback in the group discussion to determine whether the responses are largely positive, neutral or negative and whether they relate more to the creative execution or the message.

Both concepts recorded high levels of positive initial comments with relatively few negative comments, however Best Friend did receive slightly more negative feedback overall than Great. Emotive reaction to the Great concept was generally found to be more positive and optimistic whereas the Best Friend concept was felt to be a little doom and gloom.

Great and Best Friend received similar proportions of positive creative related and message related feedback. However, the execution related feedback on the Best Friend concept tended to be more negative.
Some of the initial creative related feedback on the concepts included:

<table>
<thead>
<tr>
<th>Great</th>
<th>Best Friend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key positive associations</strong></td>
<td></td>
</tr>
<tr>
<td>Simple and it works</td>
<td>Catchy – dog man’s best friend</td>
</tr>
<tr>
<td>Easy to understand</td>
<td>Family friendly</td>
</tr>
<tr>
<td>Punchy</td>
<td>Corny but effective</td>
</tr>
<tr>
<td>‘great’</td>
<td>Cute dog (general comments about dog)</td>
</tr>
<tr>
<td>Amusing</td>
<td></td>
</tr>
<tr>
<td>Good, effective, funny</td>
<td></td>
</tr>
<tr>
<td><strong>Key negative associations</strong></td>
<td></td>
</tr>
<tr>
<td>Not clear</td>
<td>Relevance of dog</td>
</tr>
<tr>
<td></td>
<td>Tacky/old school</td>
</tr>
</tbody>
</table>

Some of the initial message related feedback on the concepts included:

<table>
<thead>
<tr>
<th>Great</th>
<th>Best Friend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key positive messages</strong></td>
<td></td>
</tr>
<tr>
<td>New home grant</td>
<td>The government wants to help / help from government</td>
</tr>
<tr>
<td>For new home buyers</td>
<td>First home buyers best friend</td>
</tr>
<tr>
<td>$15K to assist first home buyers</td>
<td>They (government) understand the difficulties with saving / people work hard to save</td>
</tr>
<tr>
<td>Great Start Grant</td>
<td>Great Start Grant</td>
</tr>
<tr>
<td>A helping hand to help you get your first home</td>
<td>Given us a jump start</td>
</tr>
<tr>
<td>For units/townhouses</td>
<td>Start up grant</td>
</tr>
<tr>
<td>The grant is great</td>
<td>Assistance</td>
</tr>
<tr>
<td>Appeals to a variety of situations (young, singles, families)</td>
<td>$15K to assist first home buyers</td>
</tr>
<tr>
<td></td>
<td>New home loan grant</td>
</tr>
<tr>
<td><strong>Key negative messages</strong></td>
<td></td>
</tr>
<tr>
<td>What’s great?</td>
<td>Is it only for new units or apartments?</td>
</tr>
</tbody>
</table>

Generally speaking, there was little difference between Brisbane and Townsville participants in terms of their initial reactions to the concepts. However, those in Townsville did find the Best Friend visuals quite city centric and less applicable to them (i.e. modern townhouses, apartments etc.).
In terms of potential cut through and broad appeal, we feel that Great is in a stronger position than Best Friend.

Some creative recommendations to improve the Great concept include:

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Some confusion about the grant only applying to home units, town houses or apartments. We see this is coming more from the voice over than the visual elements of the execution.</td>
<td>1. Include reference to all types of housing in the voice over</td>
</tr>
<tr>
<td>2. Although this concept does a good job of conveying that the grant applies to different demographic groups, this could be strengthened to ensure even broader relevance. There was some reference to the people depicted being stereotypically young, successful (yuppies etc.).</td>
<td>2. Visually depict an even greater range of household composition, clearly depicting singles (young and older), couples, families etc. Try to include different lifestyle situations and ‘types’ of people.</td>
</tr>
<tr>
<td>3. On the same point as above, there is a lack of cultural diversity in the executions.</td>
<td>3. Include a diversity of cultures in the executions if possible</td>
</tr>
<tr>
<td>4. A very small issue was that the parents in one visual had their feet up, eating pizza and watching old episodes of ‘The Bill’. This does not resonate well with some viewers. (NB. The TV show was really only noted as the moderator read this description to participants).</td>
<td>4. Change the visual situation to include more relevant setting, food and a generic TV show.</td>
</tr>
</tbody>
</table>
Message

The target audience appear to comprehend the message of the Great campaign slightly more so than for the Best Friend campaign (a stronger ‘top box’ score). However, the Best Friend campaign is felt to deliver more information overall. This is perhaps not surprising given the very limited dialogue included in the Great concept. As the campaign is designed to prompt the target market to seek information, it is not surprising that the ratings for this question are relatively low.

Campaign Empowerment

<table>
<thead>
<tr>
<th></th>
<th>Best Friend</th>
<th></th>
<th>Great</th>
</tr>
</thead>
<tbody>
<tr>
<td>-15</td>
<td>-10</td>
<td>41</td>
<td>22</td>
</tr>
<tr>
<td>-7</td>
<td>-7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

After watching it, I do not feel confident that I understood what it was saying, and the impact the First Home Owners Construction Grant

Content Delivery

<table>
<thead>
<tr>
<th></th>
<th>Best Friend</th>
<th></th>
<th>Great</th>
</tr>
</thead>
<tbody>
<tr>
<td>-22</td>
<td>-15</td>
<td>48</td>
<td>4</td>
</tr>
<tr>
<td>-7</td>
<td>-19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It left me with lots of questions

It gave me all the information I needed

NB: Qualitative findings only – based on small samples
Both concepts do a very good job of encouraging viewers to seek further information. Almost all who have seen these concepts are encouraged to seek further information from the website or call centre.

**Call to Action**

<table>
<thead>
<tr>
<th></th>
<th>Best Friend</th>
<th>Great</th>
</tr>
</thead>
<tbody>
<tr>
<td>After having seen / heard it, I'd probably not go to the website/ call number for more information</td>
<td>-7</td>
<td>-4</td>
</tr>
<tr>
<td>After having seen / heard it, I'd probably go to the website/ call number for more information</td>
<td>26</td>
<td>37</td>
</tr>
</tbody>
</table>

Message cut through is generally very good for both concepts.

- The message that the Queensland Government is offering a $15,000 grant for first home owners comes through very clearly for both concepts.
- The message that the grant can be used towards a deposit is clearer in the **Best Friend** concept (only mentioned in one of the 15 sec **Great** concepts).
- Messages of eligibility, in terms of the diversity of the target market that the campaign is targeting, are clearer for the **Great** concept. However, for both concepts there is some confusion as to whether the grant is just for ‘young’ people (given the age of those depicted in the ads).
- There is also some confusion as to whether the grant applies for all types of housing – again this confusion is a result of the visuals and the voice over of the current executions. There is slightly more confusion for the **Best Friend** concept.
- **Great** appears to more clearly communicate the message that the grant applies to new homes (buy or build). There is some confusion with all the ‘construction’ images in the **Best Friend** concept that the grant is only for building a home.
- Very limited spontaneous awareness of the message that the grant will stimulate the building industry and this only came through from the **Great** concept. Consequent discussions around this issue indicated that this is a positive association. Participants are open to the campaign emphasising this.

NB: Qualitative findings only – based on small samples

RTI Document No.502
Key message comprehension is as follows:

<table>
<thead>
<tr>
<th>Key Message</th>
<th>Great</th>
<th>Best Friend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assistance:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Queensland Government is</td>
<td>✔️✔️</td>
<td>✔️✔️</td>
</tr>
<tr>
<td>offering a $15,000 grant for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>first home owners</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>• Government grant for new home</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>owners (general)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Grant will help with deposit</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>• Buy or build new home</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>• Just for new homes</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td><strong>Call to action:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Go to website to seek</td>
<td>✔️✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>further information</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Eligibility:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• For a range of people</td>
<td>✔️✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>• For a range of housing types</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>• For young people</td>
<td>✔️✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>• Just for townhouse/unit</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td><strong>Purpose:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Assist first home buyers</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>• Help with your savings</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>(general)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Stimulate construction industry</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

Key: number of ticks = strength of message comprehension
✔️ = negative or misleading message comprehension

There was little difference between Brisbane and Townsville participants in terms of their message comprehension, with the exception that the Townsville participants found the **Best Friend** concept applied more to medium and high density living, which they thought was more applicable to Brisbane residents.

Another point to note was that there was some discussion around the potential of the grant to motivate those who were considering buying an existing property to investigate new home options.
As mentioned above, message comprehension is strong for both concepts, however we feel that the greater comprehension of the **eligibility** for the grant, makes the Great concept stronger overall.

Some **message** recommendations to improve the Great concept include,

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Although deposit was mentioned in one of the 15 sec executions, this did not come through strongly in message comprehension.</td>
<td>1. This is often the stumbling block for new home owners entering the market and as such stronger reference to this in the voice over would be beneficial.</td>
</tr>
<tr>
<td>2. Some confusion still exists as to the eligibility of different types of housing (units, townhouses, houses etc.) and new vs. existing housing.</td>
<td>2. Ensure that voice over helps to convey exactly what types of housing are eligible.</td>
</tr>
</tbody>
</table>
4. The Grant name

The concepts tested included the Great Start Grant logo (and Queensland Government logo).

This name resonated very well with the potential target audience. It is felt to be clear and concise and using ‘great start’ in the name is a positive association.

Some alternatives were tested, these were,

- First Home Owners Construction Grant
- $15,000 First Home Helper

Neither of these names were very well received.

First Home Owners Construction Grant was felt to be far too wordy and cumbersome.

$15,000 First Home Helper related more to help around the home (e.g. domestic help, gardening, child minding etc.), rather than related to buying a home.

Our recommendation is to brand the grant the Great Start Grant. However within the creative execution, emphasis needs to be placed on both “Great” and “Start” (i.e. “Great Start”) to help recall of the grant and aid in general Google searching on key words.
5. Communications

Participants were asked about where they might expect to find out about the Great Start Grant.

They would expect to be informed about the grant quite passively in the process of searching for a new home. To this end, they would expect to be informed at various touch-points throughout the search process:

- Initial investigations through financial institutions.
  - Some felt that the financial institutions had a major role to play in disseminating information about the grant.
- Searches on real estate websites, via real estate agents etc.
- Specifically through home building companies (some think these companies will ultimately benefit from the grant - as it may open up the market for more home buyers).

While the approaches above are likely to reach those already in market, it was agreed that there is a need to also engage mass media to inform the general market about the grant for those not currently in market.

Online/ digital ads:

- Online advertising was advocated as a powerful means of reaching the younger market and key phrases like "$15,000 for new home buyers" would resonate very well with this target audience.
- Participants felt that the 15 sec executions for Great could translate to online advertising quite easily.
- In any digital ads for this campaign, we would recommend the inclusion of a 'click here' text above/below the 'Great Start Grant' icon to clarify that this is a hyperlinked button to further information.

Social media/Facebook:

- Facebook - Discussions around the potential for a Facebook presence for the Great Start Grant were met with very little enthusiasm. The group composition did not include many who generally 'liked' organisations in general as this was not in the scope of the design. Some had the attitude that inclusion on social media sites (Facebook, Twitter, YouTube) is almost mandatory for most organisations.
Website:

- Given that the task of the execution is to drive people to seek further information on the website, it is extremely important that the website delivers information effectively to consumers.

- There is an expectation that the site would be easily recognisable and a dedicated site (not buried within the Department’s general website).

- The Great Start Grant logo should be apparent on the website as a ‘button’ to enter the relevant section of the site.

- Some of the many questions that the target market would expect to have answered on the website include the following:
  - Why are they giving us the grant?
  - What is the catch to the grant?
  - Is it for new or established homes?
  - Where is the money coming from? Who is paying for this grant?
  - Who is eligible?
  - Are single people eligible?
  - Does it matter what I’m buying? Or does it need to be a new construction?
  - Do you have to live in QLD to be eligible?
  - If buying with multiple people (i.e. with partner), does each person get the grant?
  - Will the grant be available if I buy a rundown shack?
  - When will I get the money?
  - What is the cap threshold on the home cost? What if it’s a $700k home?
  - Is receiving the grant dependent on my income? Is there a maximum I can earn before I’m ineligible?
  - When does the grant period run out?
  - Is it a state or federal grant?
  - Is the grant to help stimulate the building and construction industry?
  - Can I use the grant as a deposit on a home?
  - Does it matter who I borrow from?
  - Is this grant just for white people? Or all races?
  - How do I know if I fit the criteria?
  - Can I get the grant for investment properties?
  - Do you get cash?
Market research report

Concept direction
It is recommended the Great concept be adopted for the campaign. The report notes the Great concept is stronger for cut through and broad appeal. The Great concept is also stronger for message comprehension for eligibility of the grant.

Creative recommendations

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Some confusion about the grant only applying to home units, town houses or apartments. We see this is coming more from the voice over than the visual elements of the execution.</td>
<td>• Include reference to all types of housing in the voice over</td>
<td>• Scripts to be amended to clearly state ‘new’ and include reference to range of housing. As some of the ads are divided between different housing types (e.g. apartment, new build etc), these will be referenced as such in the advertisement.</td>
</tr>
<tr>
<td>• Although this concept does a good job of conveying that the grant applies to different demographic groups, this could be strengthened to ensure even broader relevance. There was some reference to the people depicted being stereotypically young, successful (yuppies etc.).</td>
<td>• Visually depict an even greater range of household composition, clearly depicting singles (young and older), couples, families etc. Try to include different lifestyle situations and “types” of people.</td>
<td>• Material shown to focus groups was not final images/scripts. Final ads will feature a suitable range of people, as appropriate to the first home buying demographic.</td>
</tr>
<tr>
<td>• On the same point as above, there is a lack of culturally diversity in the executions.</td>
<td>• Include a diversity of cultures in the executions if possible</td>
<td>• Material shown to focus groups was not final images/scripts. Final ads will feature a suitable range of people, as appropriate to the first home buying demographic.</td>
</tr>
</tbody>
</table>

RTI Document No.508
A very small issue was that the parents in one visual had their feet up, eating pizza and watching old episodes of “The Bill”. This does not resonate well with some viewers. (NB. The TV show was really only noted as the moderator read this description to participants).

Change the visual situation to include more relevant setting, food and a generic TV show.

Material shown to focus groups was not final images/scripts. Final ads will feature suitable locations/sites.

**Message recommendations**

<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Although deposit was mentioned in one of the 15 sec executions, this did not come through strongly in message comprehension.</td>
<td>This is often the stumbling block for new home owners entering the market and as such stringer referencing this in the voice over would be beneficial</td>
<td>Scripts currently refer to grant helping with the ‘purchase’ rather than ‘deposit’. This is more appropriate as due to the timing of grant payment, most purchasers would be unable to use the payment as a deposit when signing a contract. Payment is usually made following completion of the transaction when all obligations are fulfilled.</td>
</tr>
<tr>
<td>Some confusion still exists as to the eligibility of different types of housing (units, townhouses, houses etc) and new vs existing housing.</td>
<td>Ensure that voice over helps to convey exactly what types of housing are eligible.</td>
<td>Scripts to be amended to clearly state ‘new’ and include reference to range of housing. As some of the ads are divided between different housing types (eg apartment, new build etc), these will be referenced as such in the advertisement.</td>
</tr>
</tbody>
</table>
Grant name

The ‘Great Start Grant’ will be adopted as the branding name for the grant.

Communications

Participant comments relating to where they expect to find out about the grant are in line with existing media buy strategy and recommendations.

Website comments to be taken into account in the build and functionality of the site.
PURPOSE:
WHAT DO WE NEED TO ACHIEVE?

As the up-take of the grant since its announcement has not meet expectations the role of the communications will have two key priorities

• Create awareness for the $15,000 FHOCG with people looking to buy or starting to save for their first home.
• Motivate people to buy or build new and access the grant
CHALLENGES:
WHAT ARE THE KEY BARRIERS STANDING IN OUR WAY?

The property pool largely consists of existing properties rather than new properties. To buy or build new there is often greater compromise on location which means leaving an established family and social environment – having to move away from family, friends, further travel to work, a total change to life as they know it.

It will come down to how strong the desire is to own their own home. Are they willing to move locality to own the home they can afford with the help of the Queensland Government?

To buy your first home is one of the biggest decisions a person will make in their life and to add to this decision the choice of:

• buying existing in an area where they have an established lifestyle or
• building/buying in an area that offers new property to access the grant

To be successful we need to influence this choice through our communication and message strategy.
BEHAVIOUR:
WHOSE BEHAVIOUR DO WE WANT TO INFLUENCE AND HOW?

These are first home buyers & considerers, sitting anywhere within the decision process from just starting to save to ready to buy. They are couples and young families with an average age of 34 years, but can range anywhere from 25-44 years old.

The decision on what to buy is a largely a joint decision influenced by what they can afford.
TRUTH:

CONSUMER INSIGHT THAT WILL FUEL THE CREATIVE IDEA

It is everyone’s dream to own their own home but when starting the journey of saving it seems beyond reach. The average deposit required for a 1st home is $80,000 and takes 4 years to save. The average first home property cost is $423,000.

For most couples or families starting out the idea of buying their first home, although a dream, it feels out of reach & unachievable right now.
PROPOSITION:

THE KEY THING WE WANT TO SAY

Thanks to Queensland Government’s commitment to improving the Queensland economy and reducing the cost of living they introduced the First Home Owners Construction Grant of $15,000 for first home buyers (that buy or build new home/apartments after 12 Sept 2012). This will give more young people the opportunity to get ahead no matter where they are in the process:

• a kick start to their savings,
• the ability to buy more than they thought,
• save on rent by getting into their first home faster.

Plus there are savings to be made in stamp duty, thanks to government’s changes to stamp duty requirements for first home buyers.

In essence — we’re helping you get ahead
COMMUNICATION STRATEGY

We are proposing a two pronged approach, while informing and motivating the consumer to buy, we enlist the support of the trade – developers, builders, banks and brokers and leverage these channels to pull the consumers through and close the sale with the support of the FHOCG.

**Consumer**
build awareness & solicit an action through main media channel:
- TV
- Online

**Trade**
Provide the tools to support their own marketing initiatives through the supply of:
- trade packs
- Point of Sale material
- Fact Sheets
MESSAGE STRATEGY

Helping you get ahead

Communication Strategy
- Awareness
- Consideration
- Conversion

Messaging Strategy
Help with your savings  Getting you there quicker

Take out
Reputation - great state, great opportunities

Helping the state of Queensland get ahead by building the economy
THE FIRST HOME OWNERS CONSTRUCTION GRANT

CREATIVE DIRECTION
GREAT START GRANT
IT’S THE FIRST-HOME BUYER’S BEST FRIEND

When you think of building sites in Queensland, one character comes to mind. The builder’s dog. Always there ready to help out or just give you a friendly wag of his tail. And when he brings you $15,000 he’s sure to be your best friend.

This campaign uses a tradie’s dog to communicate the Grant offer, and demonstrate how the QLD Govt is helping first homeowners get a great start in life.
Administered by Queensland Government First Home Owner Grant
CREATIVE CONSIDERATIONS

The builder’s dog gives us a key ownable device to use across all parts of the campaign. It means we can talk to different targets (consumer/building trade/banks and brokers), but still keep a consistent tone.

With the tight timings on the TV commercials we have kept them quite simple, so as not to rely on too much special dog-training. In banners and online, where we will animate the dog, we can get a bit trickier with what he gets up to.

Overall, the TV should feel bright and optimistic, and have the hallmarks of Queensland life.
VISION

This commercial opens on our dog in a non-descript grassy setting. He is running around in a small circle, chasing his tail.

We pull out to reveal that the dog is out the front of a home building site. There is a safety fence around it. Our dog turns and races towards a large corflute sign hanging in front of the site. It reads Great Start Grant and has a Queensland Govt logo and disclaimer.

Disclaimer: Administered by Queensland Government First Home Owner Grant

We see the dog bound beside the sign, and tilt his head towards it.

We see a young couple arrive and be met by the site manager. They're obviously here for a weekly inspection. The dog races down to greet them.

We see our call to action greatstartgrant.qld.gov.au

We finish on the Queensland Govt Logo and sign-off Great state. Great opportunity.

Finish on Authorised Tag.

AUDIO

MUSIC UNDER:

V.O: When you're trying to save for a home deposit, while still covering day-to-day expenses, it can really feel like you're chasing your tail.

That's why the Queensland Govt are offering the Great Start Grant. A $15,000 grant towards the cost of buying or building your first home.

It really is the first-home buyer's best friend.

To find out more, and to see if you're eligible, visit greatstartgrant.qld.gov.au

MUSICAL SIGN-OFF.

Authorised by the Queensland Govt, Brisbane.
This commercial opens on our dog outside a home building site. His extendable lead is tied up to a post. A much-chewed squeezy toy (maybe in the shape of a house) is slightly in the distance, and we see our dog eagerly trying to reach it. Alas, it’s just out of his reach. He snarls in an annoyed fashion.

Cut to a large corflute sign hanging in front of the site. It reads Great Start Grant and has a Queensland Govt logo and disclaimer.

Disclaimer: Administered by Queensland Government First Home Owner Grant

We see the dog bound in from out of frame and tilt his head towards it.

We see the dog race down to the back of a ute as couple arrive to view the home.

We see our call to action greatstartgrant.qld.gov.au

We finish on the Queensland Govt Logo and sign-off Great state. Great opportunity.

Finish on Authorised Tag.
TV - NEW APARTMENTS 30 SEC (with 15 cutdown)

VISION

This commercial opens on our dog lying on the ground. He puts his paws over his eyes as if he can't bear to look.

We pull out to reveal he is sitting outside an almost completed low-set apartment complex, in somewhere like West End.

Cut to a large corflute sign hanging in front of the site. It reads Great Start Grant and has a Queensland Govt logo and disclaimer.

Disclaimer: Administered by Queensland Government First Home Owner Grant

We see the dog bound in from out of frame and tilt his head towards it.

We see a young hipster couple arrive with some designer-style mini-dog. Our tradie dog ushers her towards the front door.

We see our call to action greatstartgrant.qld.gov.au

To find out more, and to see if you're eligible, visit greatstartgrant.qld.gov.au

MUSICAL SIGN-OFF.

Authorised by the Queensland Govt, Brisbane.

AUDIO

MUSIC UNDER:

V.O:  Looking to buy or build your first home? But can't bare to see another old, overpriced place.

Great news.

Introducing The Queensland Govt Great Start Grant. It gives you $15,000 towards the cost of buying a new unit or apartment.

It's a great opportunity to get into the property market, so it really is the first-home buyer's best friend.

To find out more, and to see if you're eligible, visit greatstartgrant.qld.gov.au
FRAME 1: Dog rolling on the grass, revealing headline.
LINE: GET A LITTLE PATCH OF GRASS TO CALL YOUR OWN.

FRAME 2: Dog drags in sign
GET THE $15,000 GREAT START GRANT, IT’S THE FIRST HOME BUYER’S BEST FRIEND.

FRAME 3: QLD GOVT LOGO.
CLICK HERE TO FIND OUT MORE
FEEL LIKE YOUR FIRST HOME IS JUST OUT OF REACH?

FRAME 1: Dog tied up trying to reach something
LINE: FEEL LIKE YOUR FIRST HOME IS JUST OUT OF REACH?

FRAME 2: Dog breaks free and drags sign in
GET THE $15,000 GREAT START GRANT, IT'S THE FIRST HOME BUYER'S BEST FRIEND.

FRAME 3: QLD GOVT LOGO. CLICK HERE TO FIND OUT MORE
 FRAME 1: Dog leaping headline
LINE: SICK OF JUMPING THROUGH HOOPS TO TRY AND BUY YOUR FIRST HOME?

 FRAME 2: Dog drags sign in
GET THE $15,000 GREAT START GRANT, IT’S THE FIRST HOME BUYER’S BEST FRIEND.

 FRAME 3: QLD GOVT LOGO. CLICK HERE TO FIND OUT MORE
OTHER IDEAS

1. Signage on townhouses and apartment building sites:
OTHER IDEAS

2. Branded plastic briefcase/folder to keep all the stuff you accumulate after visits to Home and Land sites.
GREAT START GRANT
A GREAT WAY TO GET INTO YOUR FIRST HOME

This approach aims to tap into the simple human truths people feel about homes, first homes, building homes. The only words that get spoken by anyone in the commercial are ‘Great’ or ‘it’s great’, allowing for a simple memorable delivery of the Great Start Grant.
‘GREAT’ - LAUNCH

A fun bit of music plays under as we see our little scenes.

We open at a café – a young guy is trawling Apartments For Sale listings on a real estate website. His eyebrows raise as he sees one he likes “Great…” he says quietly to himself.

Cut to a young couple with a toddler in tow being shown around a newly-built townhouse by an estate agent. The woman obviously loves it but is trying to keep her emotions in check – while the agent’s back is turned, she mouths to her husband “It’s great”

Cut to a young guy arriving home late in the evening with a female friend. As they stumble through the front door, we see his parents are still up and sitting in the lounge room watching re-runs of The Bill. “Great…” our guy sighs to himself.

We hear the voiceover:

The Queensland Govt wants to help you get into your first home with The Great Start Grant. You’ll get $15,000 towards the purchase price when you buy a newly built apartment, townhouse or home. You can even choose to build yourself.

Disclaimer: Administered by Queensland Government First Home Owner Grant

Cut to a vacant land block far from the city. A man is standing on the roof of his car to get an idea of what the view would be like from the second floor. He shouts down to his wife ‘It’s great!’

VO: It’s a great opportunity to buy your kind of home in our great state. To find out more, visit greatstartgrant.qld.gov.au

We finish on the QLD Govt logo and line. Great State. Great Opportunity.
Open on our guy at a café, trawling through apartments for sale online.

**VO:** Found a newly built apartment you'd love as your first home? The QLD Govt could give you $15,000 towards the price.

Disclaimer: Administered by Queensland Government First Home Owner Grant

Our young guy reacts ‘Great...”

**To find out more, visit greatstartgrant.qld.gov.au**

We finish on the QLD Govt logo and line. Great State. Great Opportunity.
Open on a woman opening and closing various cupboards and wardrobes of a recently-built townhouse.

V.O: Looking for a new first home that gives you the space for a family to grow? The QLD Govt could give you $15,000 towards the price.

Disclaimer: Administered by Queensland Government First Home Owner Grant

Our woman turns towards her husband “It’s great”

To find out more, visit greatstartgrant.qld.gov.au

We finish on the QLD Govt logo and line. Great State. Great Opportunity.
‘GREAT’ - GET THERE SOONER

We open on our young guy arriving home late at night to find his parents still up in the living room watching TV. ‘Great...’ he sighs to himself.

**VO:** Need to buy your own first home, but struggling to save the deposit. Find out how the QLD Govt could give you $15,000 towards your savings.

Disclaimer: Administered by Queensland Government First Home Owner Grant

To find out more, visit greatstartgrant.qld.gov.au

We finish on the QLD Govt logo and line. Great State. Great Opportunity.
FRAME 1: the word “START” is anchored in place as headline appears...

FRAME 2: ‘START’ remains in place as headline changes

FRAME 3: GREAT START GRANT LOGO and QLD GOVT LOGO fade in as headline changes to ‘Click here’ message
Finally found a newly-built apartment that you think is great?

Get the Great Start Grant and get $15,000 towards it.

Click here to find out about the Great Start Grant.
SHAREABLE CONTENT WORKS ACROSS EITHER OPTION

We would create cheeky little infomercials that run online as pre-rolls and on a YouTube channel. These are essentially faux products available to people who desperately want to own:
THE GRASSY THONG

We open on an infomercial-style graphic that reads:
INTRODUCING THE GRASSY THONG.

We cut to a man in a fully tiled small apartment. We hear the infomercial-style voiceover:

V.O: Do you wish you could feel soft lawn under your feet in your own backyard?

Our man nods.

V.O: NEW GRASSY THONGS.

We see our man popping on a pair of thongs with grass attached to the top.

V.O: Just pop ‘em on in your rented home and feel what it’s like to be able to wander through the backyard of a home you own.

As our man crunches along the floor in his grassy thongs, a super appears

THAT’S A GOOD START.

Cut to the same guy now walking through the modest backyard he now owns as part of a townhouse. Another super appears

THIS IS A GREAT START.

GET THE $15,000 GREAT START GRANT AND GET INTO YOUR OWN HOME.

Click here to find out more greatstart.qld.gov.au
BATH ‘N BED

We open on an informercial-style graphic. It reads NEW BATH ‘N BED.

Cut to a Mum putting the kids to bed. There are 3 of them in a room in bunks and a bed.

VO: Need extra space for a growing family, but still stuck renting? 
   Our woman nods.

V.O: Introducing the Bath ‘N Bed. It turns your bathroom into a whole NEW bedroom.

We see a bath-shaped all in one mattress/sleeping bag combo being placed into the bath. It fits perfectly.

V.O: Available in a range of fully waterproof styles, it gives you the extra family space you’re craving.

As we see a small child being tucked into the bath, a super appears:

THAT’S A GOOD START.

Cut to the same child, now being tucked into their own bed in a newly built-home. Another super appears THIS IS A GREAT START.

GET THE $15,000 GREAT START GRANT AND GET INTO YOUR OWN HOME SOONER.

Click here to find out more greatstart.qld.gov.au
THE FIRST HOME OWNERS CONSTRUCTION GRANT

DIGITAL MESSAGING STRATEGY
A responsive* site providing Queenslanders with all the information they need about the FHOCG, including calculator/simulator and eligibility tools.

- First home buyer
- Building a new home
- On or after 12 September 2012

* Allowing full functionality and interactivity on desktop, tablet and mobile devices.

A mobile app can provide greater reach (via Apple’s App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app.

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the responsive site allowing the mobile app to be promoted via the site.

In market post launch.

Instead of scrolling through pages of text, adding video content to the responsive site will allow Queenslanders to quickly access all the information they need about the FHOCG.

We will also take the footage we shoot for the TVCs and edit contextually and specifically for the pre roll advertising media.

Use of social media to raise awareness of the FHOCG through social advertising and social sharing - focusing on a straight push of information due to the political sensitivity of this medium.

Outside of the standard display and retargeting banners, we propose a more innovative answer. Using the calculator/simulator tool from the responsive site, we will provide a real time answer based on search criteria from sites such as realestate.com.au.

In principal agreement from REA.
A responsive* site providing Queenslanders with all the information they need about the FHOCG, including calculator/simulator and eligibility tools.

- First home buyer
- Building a new home
- On or after 12 September 2012

* Allowing full functionality and interactivity on desktop, tablet and mobile devices.

BANNERS
Outside of the standard display and retargeting banners, we propose a more innovative answer. Using the calculator/simulator tool from the responsive site, we will provide a real time answer based on search criteria from sites such as realestate.com.au.

In principal agreement from REA.

VIDEO
Instead of scrolling through pages of text, adding video content to the responsive site will allow Queenslanders to quickly access all the information they need about the FHOCG.

We will also take the footage we shoot for the TVCs and edit contextually and specifically for the pre roll advertising media.

SOCIAL
Use of social media to raise awareness of the FHOCG through social advertising and social sharing - focusing on a straight push of information due to the political sensitivity of this medium.

APP
A mobile app can provide greater reach (via Apple's App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app.

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the site allowing the mobile app to be promoted via the site.

In market post launch.
**SITE**
A responsive* site providing Queenslanders with all the information they need about the FHOCG, including calculator/simulator and eligibility tools.

- First home buyer
- Building a new home
- On or after 12 September 2012

* Allowing full functionality and interactivity on desktop, tablet and mobile devices.

**SITE (Web site and mobile site)**
A responsive site providing Queenslanders with all the information they need about the FHOCG, including calculator/simulator and eligibility tools and downloadable forms (already exist).

**Benefit**
A responsive site allows for full functionality and interactivity on all kinds of devices (rather than building 3 different sites for desktops, tablets and mobile devices).

**Calculator/simulator tool**
We take all important data for first home buyers such as new home value, transfer/stamp duty, likely legal costs, etc and then apply the FHOCG (assuming eligibility criteria met).

**Emotional benefit**
There’s going to be confidence in Queensland Government understanding my circumstances and providing help and support. Largely we are helping take away any real or perceived barriers to moving further along the purchasing journey.

**Tangible benefit**
The efficacy of the FHOCG ($15,000 is a lot of money).

**Eligibility tool**
A ready reckoner that allows Queenslanders to provide simple information and in return we will provide a simple yes/no. We can build in additional criteria at the onset of the search to ensure the answer is extremely accurate or if a no is returned we ask further qualification such as whether the home is substantially renovated (new old) or new new.

**Certainty.**
There’s going to be confidence in Queensland Government understanding my circumstances and providing help and support. Largely we are helping take away any real or perceived barriers to moving further along the purchasing journey.

**Tangible benefit**
The efficacy of the FHOCG ($15,000 is a lot of money).

Note Storage of data will reside in the mobile app not in the responsive site.
A responsive* site providing Queenslanders with all the information they need about the FHOCG, including calculator/simulator and eligibility tools.

- First home buyer
- Building a new home
- On or after 12 September 2012

* Allowing full functionality and interactivity on desktop, tablet and mobile devices.

**APP**

A mobile app can provide greater reach (via Apple’s App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app.

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the responsive site allowing the mobile app to be promoted via the site.

In market post launch.

**VIDEO**

Instead of scrolling through pages of text, adding video content to the responsive site will allow Queenslanders to quickly access all the information they need about the FHOCG.

We will also take the footage we shoot for the TVCs and edit contextually and specifically for the pre roll advertising media.

**SOCIAL**

Use of social media to raise awareness of the FHOCG through social advertising and social sharing – focusing on a straight push of information due to the political sensitivity of this medium.

**BANNERS**

Outside of the standard display and retargeting banners, we propose a more innovative answer. Using the calculator/simulator tool from the responsive site, we will provide a real time answer based on search criteria from sites such as realestate.com.au.

In principal agreement from REA.
**APP**

A mobile app can provide greater reach (via Apple’s App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app.

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the responsive site allowing the mobile app to be promoted via the site.

In market post launch.

**Greater reach**

A mobile app can provide greater reach (via Apple’s App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app. If we type “Great Start Grant” into Google, it should return both the responsive site and mobile app in search results.

Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the responsive site allowing the mobile app to be promoted via the site.

**Added features**

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

The benefit of push notifications allow us to keep a door open that would normally be closed if we relied solely upon a site - our very own media channel. For instance, if we choose to improve or alter the FHOCG we can push that valuable information to their handset.

**Benefits**

*Emotional benefit*
Certainty and convenience.

*Tangible benefit*
Always on, always available.

Note on timings Outside of development time, there is an approval process with Apple that can take up to 4 weeks (depending on Apple’s feedback).
A mobile app can provide greater reach (via Apple's App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app. 

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the responsive site allowing the mobile app to be promoted via the site.

In market post launch.

**SITE**

A responsive* site providing Queenslanders with all the information they need about the FHOCG, including calculator/simulator and eligibility tools.

- First home buyer
- Building a new home
- On or after 12 September 2012

* Allowing full functionality and interactivity on desktop, tablet and mobile devices.

**APP**

A mobile app can provide greater reach (via Apple’s App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app.

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the responsive site allowing the mobile app to be promoted via the site.

In market post launch.

**BANNERS**

Outside of the standard display and retargeting banners, we propose a more innovative answer. Using the calculator/simulator tool from the responsive site, we will provide a real time answer based on search criteria from sites such as realestate.com.au.

In principal agreement from REA.

**SOCIAL**

Use of social media to raise awareness of the FHOCG through social advertising and social sharing - focusing on a straight push of information due to the political sensitivity of this medium.

**VIDEO**

Instead of scrolling through pages of text, adding video content to the responsive site will allow Queenslanders to quickly access all the information they need about the FHOCG.

We will also take the footage we shoot for the TVCs and edit contextually and specifically for the pre roll advertising media.
A mobile app can provide greater reach (via Apple’s App Store and Google Play) because our app will be promoted via the site.

Once the mobile app is available through Apple’s App Store and Google Play, we will provide a real time answer based on search criteria from sites such as realestate.com.au. Using logic and functionality previously built for Suncorp Bank and Suncorp Insurance, we know that this banner type can significantly increase effectiveness.

**Benefits**

*Emotional benefit*
Believable and relevant.

*Tangible benefit*
Assured brand linkage to the Queensland Government rather than the real estate site or developer.

The efficacy of the FHOCG ($15,000 is a lot of money).

**BANNERS**

**Dynamic banners**
Outside of the standard display and retargeting banners, we propose a more innovative answer. Using the calculator/simulator tool from the responsive site, we will provide a real time answer based on search criteria from sites such as realestate.com.au.

In principal agreement from REA.
A responsive site providing Queenslanders with all the information they need about the FHOCG, including eligibility and application tools.

First home buyer
Building a new home
On or after 12 September 2012

A mobile app can provide greater reach (via Apple's App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app.

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

Once the mobile app is available through Apple's App Store and Google Play, a sniffer will be added to the site allowing the mobile app to be promoted via the site.

In market post launch.

Instead of scrolling through pages of text, adding video content to the responsive site will allow Queenslanders to quickly access all the information they need about the FHOCG.

We will also take the footage we shoot for the TVCs and edit contextually and specifically for the pre roll advertising media.

Use of social media to raise awareness of the FHOCG through social advertising and social sharing - focusing on a straight push of information due to the political sensitivity of this medium.

Outside of the standard display and retargeting banners, we propose a more innovative answer. Using the calculator/simulator tool from the responsive site, we will provide a real time answer based on search criteria from sites such as realestate.com.au.

In principal agreement from REA.
Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the responsive site allowing the mobile app to be promoted via the site.

In market post launch.

A mobile app can provide greater reach (via Apple’s App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app.

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the responsive site allowing the mobile app to be promoted via the site.

In principal agreement from REA.

A responsive* site providing Queenslanders with all the information they need about the FHOCG, including calculator/simulator and eligibility tools.

✓ First home buyer
✓ Building a new home
✓ On or after 12 September 2012

* Allowing full functionality and interactivity on desktop, tablet and mobile devices.

Use of social media to raise awareness of the FHOCG through social advertising and social sharing - focusing on a straight push of information due to the political sensitivity of this medium.

Potential opportunities
- Targeted Facebook ads
- Twitter to connect to the media
- LinkedIn Today targeted news feed

Use of social media to raise awareness of the FHOCG through social advertising and social sharing - focusing on a straight push of information due to the political sensitivity of this medium.
A mobile app can provide greater reach (via Apple's App Store and/or the Google Play Store) because consumer behaviour welcomes web site, mobile site and mobile app.

Our app will feature functions above and beyond interactivity available on our responsive site including the ability to save recent calculations and push notifications.

Once the mobile app is available through Apple’s App Store and Google Play, a sniffer will be added to the responsive site allowing the mobile app to be promoted via the site.

In market post launch.

A responsive* site providing Queenslanders with all the information they need about the FHOCG, including calculator/simulator and eligibility tools.

- First home buyer
- Building a new home
- On or after 12 September 2012

* Allowing full functionality and interactivity on desktop, tablet and mobile devices.

Use of social media to raise awareness of the FHOCG through social advertising and social sharing - focusing on a straight push of information due to the political sensitivity of this medium.

Instead of scrolling through pages of text, adding video content to the responsive site will allow Queenslanders to quickly access all the information they need about the FHOCG.

We will also take the footage we shoot for the TVCs and edit contextually and specifically for the pre roll advertising media.

BANNERS
Outside of the standard display and retargeting banners, we propose a more innovative answer. Using the calculator/simulator tool from the responsive site, we will provide a real time answer based on search criteria from sites such as realestate.com.au.

In principal agreement from REA.
A mobile app can provide greater reach (via Apple’s App Store and/or the Google Play Store) because consumer behaviour within the REA Network and Google Ad Network.

Site content

Instead of scrolling through pages of text, adding video content to the responsive site will allow Queenslanders to quickly access all the information they need about the FHOCG.

Pre-roll advertising

We all know that a picture paints a thousand words, so we will take the footage we shot for the TVCs and edit contextually and specifically for the pre-roll advertising media.

Benefits

Emotional benefit
Likeability

Tangible benefit
Your message will be more effectively and efficiently communicated and understood.

Outsourcing

Outside of the standard display and retargeting banners, we propose a more innovative answer. Using the calculator/simulator tool from the responsive site, we will provide a real time answer based on search criteria from sites such as realestate.com.au.

In principal agreement from REA.

Social

Use of social media to raise awareness of the FHOCG through social advertising and social sharing - focusing on a straight push of information due to the political sensitivity of this medium.
THANK YOU
Department of Treasury and Trade

$15k First Home Owner
Construction Grant
media recommendation
Update
The challenge

To inform First Home Buyers that if they choose to buy a new property they are eligible for the $15k First Home Owners Construction Grant.
Pages 561 through 562 redacted for the following reasons:
---------------------------------------------
Contrary to Public Interest
Uncovering insights:
What drives the New Home market?
Who are the first time home buyers?
What’s their buying process?
### QLD housing market is showing signs of promise

**Driving factors for buying new**

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Mortgage rates enticingly low</td>
<td>▪ Consumers continue to lack confidence despite things being ok</td>
</tr>
<tr>
<td>▪ Desirable areas will always be desirable thus maintaining demand regardless of market conditions Fitzroy region up 18% in 2012</td>
<td>▪ Current focus on saving</td>
</tr>
<tr>
<td>▪ Nationally there were <strong>101,146</strong> commitments to housing finance by first time buyers in the 12 months leading to July 2012. <strong>16 percent up</strong> on the 12 months prior</td>
<td>▪ Unemployment concerns</td>
</tr>
<tr>
<td>▪ Existing property holders are less inclined to sell their property due to equity loss</td>
<td>▪ Falling house prices (Gold Coast and Far North down by more than 10% from peak) have removed the perceived urgency for first time buyers to enter the market, and made existing properties more financially attractive than when previously compared to New homes</td>
</tr>
</tbody>
</table>

Source: rpdata.com 2012 Winter Report
A grant is proven to drive sales

The First Home Buyers Grant, that was provided by the Federal Government in late 2008 through to the end of December 2009, saw a record number of first home buyers flow into the housing market. First home buyer, as a proportion of all owner occupier housing finance commitments, peaked at just over 30% in May 2009.
Families in their early 30’s are first time buyers of new homes

- The average number of persons in a first home buyer households who bought a new home in 2007-08 was 2.67
- The average number of bedrooms in the dwelling was 2.94
- The average age of the reference person was 34
- The mean value of the dwelling was $438,000
- The median amount of mortgage outstanding was $290,000.

Dwelling
- 65.4 per cent of first home buyer households who bought a new home in 2007-08 invested in a separate (detached) house
- 27.8 per cent purchased a flat/unit/apartment

Location
- 69.1 per cent of first home buyers previously resided in the same suburb/locality/town as current dwelling.

Source: July 2011 – The Characteristics of Changeover & First Home Buyers Who Purchase New Homes

RTI Document No.566
It’s all about the number crunching

Budget

Based on a 20% deposit for the median national house price ($423,000), Bankwest estimates that average first home buyers would need to save $77,600.

This equates to 4 years for most couples

Be realistic with what you can afford

Peter Boehm, Author of the book ‘The Great Australian Dream, A guide to buying your first home’ says “it’s no good looking at properties in suburbs that are outside your price range. This only leads to heartache, disappointment and is a waste of time.”

The buying formula:

Spending power = borrowing power + deposit – home acquisition costs + government grants and concessions

Interestingly, no institution offers the full calculation.
The important balancing act – right house versus right location

New Home

Advantages
- New home
- Little repair or maintenance required

Disadvantages
- Possibly a more remote location (16ks+ from work)

Existing home

Advantages
- Possibly better location closer to friends, family, services, transport and shopping (within 16k’s of work)

Disadvantages
- Older home
- Need for repairs and maintenance

Source: Roy Morgan Sep 2012 Base: QLD

RTI Document No.568
WHO THEY ARE
50:50 MALE FEMALE
56% 25-34
44% 35-49
MEAN AGE 34
70% MARRIED/DE FACTO
16% SINGLE
62% GEN Y
39% AB
36% C
67% LIVE IN SEQ AND COMMUTE
13K’S TO WORK
33% LIVE IN REGIONAL QLD AND
COMMUTE 24KS TO WORK
OVER 200 TIMES MORE LIKELY TO
BUILD OR BUY A NEW HOME
OF THIS AUDIENCE 5% (10,000)
ARE ACTIVE LOOKING TO BUY IN
THE NEXT 12 MONTHS.

WHAT THEY GET UP TO
ENJOY EXERCISE
LOVE RETAIL OFFLINE AND
ONLINE
ALWAYS ONLINE
LOVES FAST FOOD/TAKEAWAYS

WHAT THEY GET UP TO
DEFINED AS 25-44 WHO EARN
$60K+ PER ANNUM WHO ARE
CURRENTLY RENTING AND DO
NOT HAVE A MORTGAGE
POP: 196,000

ATTITUDES
OPTIMISTIC ABOUT THE
FUTURE
ENJOY BEING ACTIVE &
SOCIAL
THEY ENJOY THE EXPERIENCE OF
SHOPPING / NEW EXPERIENCES / NEW
TECHNOLOGY

MEDIA
ALWAYS CONNECTED ONLINE, IT
SERVES AS THEIR MAIN SOURCE OF
INFORMATION AND
ENTERTAINMENT. IN GENERAL
THEY ARE LIGHT CONSUMERS OF
MEDIA. TV VIEWING IS REALITY OR
DRAMA DRIVEN AND THEY FIND TV
ADVERTISING INTERESTING. MAGS
STILL OFFER INSPIRATION

Source: Roy Morgan Sep 2012 Base: QLD
It’s impossible for us to know where in the buying process potential first time buyers are

The home purchase journey in 3 simplified stages

**Awareness** (1 month to 3 years out)

- I’d like to own a new home.
- (Almost 80% of all home searches today begin on the Internet.)
- What’s out there and for how much?
- How much & where can we afford?

**Consideration** (1 to 12 months out)

- Actively looking to buy.
- How much do we need for a deposit?
- How long do we need to save for?

**Purchase** (0 to 3 months out)

- Doing the deal.
- How much should we pay?
- Have we got any concessions?
Making sense of our insights

- Few first time buyers are actively looking to buy a new home
- Typically it takes 4 years to save for a new home, meaning our audience may be anywhere in the home buying process, so one approach will not work for all
- There are least three different mindsets to address in the buying process:
  - Awareness
  - Consideration
  - Purchase
- Research and understanding are key to decision making with online their main go to tool
- Location is still and will always be a major factor, typically a 16k radius from where they work

Research is key

At least 3 mindsets in the buying process

$15k is a year less to save a 20% deposit

It’s about making the numbers add up

*Source: Roy Morgan Sep 2012 Base: QLD*
To make the best decision possible; first time house buyers are constantly crunching numbers at every stage of the buying process to account for all variables.
The Real World Idea™

THE CONSTANT NUMBER

Onmichannel strategy. Being present or available across the consumer’s home purchase path: each potential contact point integrated with all others.
Channel use for each stage of the purchase decision moves from an emotive to rational context

**Emotive**

**Awareness**
- Get noticed
  - Role: Build reach
  - Make sure that all QLD Know about the $15k grant

**Consideration**
- Make them think
  - Role: Create engagement
  - Make sure all First Time Buyers in QLD have the $15k grant built into their plans if they want to buy new

**Purchase**
- Help them do
  - Role: Generating response
  - Making sure all First time buyers of new property in QLD take up the grant
SEQ First Time Home Buyers Media Consumption

Heavy Media Consumption

Heavy-Medium-Light Media Consumption by Channel

Time Spent with Media Channels (average minutes per day)

The whole week is key

Source: Roy Morgan Sep 2012 Base: SEQ QLD
They are online, but for very specific reasons

Research, Social networking, Maps, Government, Real Estate, Video/TV

More than likely than average to click on online ads and to watch in video advertising

Index highly for research & information

Internet usage across the day

Source: Roy Morgan Sep 2012 Base: SEQ QLD

RTI Document No.577
Regional QLD First Time Home Buyers Media Consumption

### Heavy Media Consumption

- **TV**, **Internet**, **Magazines**, **Newspapers**, **Radio**, **Cinema**, **Out and About**

### Heavy-Medium-Light Media Consumption by Channel

- None
- Light
- Medium
- Heavy

### Time Spent with Media Channels (average minutes per day)

- **Target**, **Regional QLD**

### TV, Internet

- **Weekday**, **Weekend**

Source: Roy Morgan Sep 2012 Base: Regional QLD
They are online, but for very specific reasons

**Shopping, Social Networking, Maps, Real Estate, Radio/Video/TV**

More than likely than average to click on sponsored links and to watch in video advertising

Index highly for research & information

Source: Roy Morgan Sep 2012 Base: Regional QLD
Media preference comparison

SEQ

16% watch Pay TV, with 30% interested in Home Lifestyle shows

Regional QLD

21% watch Pay TV, with 28% interested in Home Lifestyle shows
Media summary

- TV continues to deliver good numbers, with first time buyers spending more time at the weekend watching their favourite programs
- Internet advertising is key to informing all first time buyers about the grant, especially the 5pm-9:59pm time slot
- All First time buyers lean to the internet as a source of video based entertainment, with those first time buyers in Regional QLD consuming more advertising in video content than any other online advertising format
- Mobile plays as important role in research as the internet as a whole
- First time buyers are getting their news and inspiration online, rather than from the traditional print versions of Newspapers and Magazines
- Despite media consumption spread fairly evenly across the week, TV is the highest reaching channel over the weekend
- Preference for reality based content on TV
- Realestate.com.au has become their new bible
How this informs channel selection

Online and TV feature strongly

TV, OOH, Search and online fit the task profile

Get the message out there quickly as the market reacts to stimulus

TV, and Online can push interaction, with scale

Online opportunities extend beyond property and search
Channel Strategy

Notice
Role: Build reach
Making sure that all QLD know about the $15k grant

Think
Role: Create engagement
Make sure all First Time Buyers in have the $15k grant built into their plans if they want to buy new

Do
Role: Generating response
Making sure all First time buyers of new property take up the grant

Indicative media selection:
TV ONLINE
ONLINE MOBILE

GO!

MKR
MY KITCHEN RULES

THE BLOCK
2013

fairfax Digital

YouTube

realestate.com.au
the biggest address in property

facebook

Google
Driving awareness on TV

HEAVY WEIGHT TV CAMPAIGN

Targeting high reach properties that index highly against our PTA

OPTIMISING PLANNED R&F

Use of Group M Proprietary tools to ascertain optimal R&F goals, Flighting, and Peak splits to obtain the most effective results.
Daypart analysis

Media Consumption analysis demonstrates that our PTA are light TV viewers. Based on the data below, much of this viewing is based around key Peak timeslots, as well as Afternoon/Fringe within Off-peak.

80% peak split recommended for this campaign
TV summary

- Consumption data against First Home Buyers (FHB’s) found that this group are light viewers (i.e. only up to 2 hours a day), yet television remains a high reaching medium.

- To focus on the times FHB’s watch, we recommend an 80% peak to ensure adequate presence within their especially choose to watch programmes like The Block and My Kitchen Rules in Q1, as well as the Voice in Q2.

- Our off-peak placement will be skewed towards afternoon and fringe as detailed in our daypart analysis.

- In evaluating Network performance over Q1/Q2 this year, Network Nine and Seven have demonstrated the highest reach against FHB’s.

- A four station buy (inclusive of SBS) is, however, recommended in order to deliver our optimum reach & frequency levels.

- Digital networks are to be incorporated within this buy as they have collectively attributed for over 25% of market share over same period last year.

- CommsTracker™ has optimised flighting across our active period in the form of a pulse strategy. Both Sponsorship and ex/Sponsorship options have been included as each have pros and cons depending on how quickly you desire to get the message out there.
Digital strategy

Communications Task: NOTICE

Use peak Digital FTA TV shows

Extend the reach and frequency of the TVC online

Build reach and frequency of messaging at launch through standard ads.

Communications Task: THINK

Provide relevant content to the first home buyer audience and potential first home buyer audience

Communications Task: DO

Performance activity, driving people to the Government site & msite to convert
SBS On Demand delivers unique & award winning content onto multiple devices meeting the demands of today’s mobile consumers.

We will target this activity to reach people in QLD only.

Australia’s largest video website

We plan to target this activity to people watching relevant property content in QLD, a lower weight of budget across the full campaign period with high contextual relevance. YouTube inventory is purchased through a bidding system, MediaCom will manage & optimise.

Excellent audience targeting capabilities

Proved success for MediaCom clients

Activity will run across catch up TV targeted to people in QLD

YouTube Inventory is purchased through a bidding system, MediaCom will manage & optimise.

We are recommending using the catch up TV services of:
7 – Yahoo!7 (Plus7)
9 – Mi9 (NineMSN Video)
SBS – SBS (SBS On Demand)

And activity across Australia’s largest video website
YouTube

These publishers will provide excellent reach and good targeting options. We will track this back to a cost per view and optimize future broadcast activity to increase our reach and frequency whilst minimising our cost per view.

Source: Comscore, Nielsen Netratings & Publisher supplied
Selecting the right online real estate partner

Reaches a greater number of established home buyers

Reaches more of those who are far more likely to buy new homes

Source: Roy Morgan Sep 2012 Base: QLD

RTI Document No.596
realestate.com.au partnership

To help shift consideration of the first home buyer audience currently thinking of buying existing property to new builds and help the rent market realise that they could become home owners we recommend content creation.

We recommend partnering with Queensland’s leading property site in terms of reach and dwell time; RealEstate.com.au.

This partnership will include content creation, relevant to first homebuyers, working together with the creative team at RealEstate.com.au we will create an integrated environment to educate first home buyers every step of the way – from the initial awareness stage, through the consideration stage and while they are in the purchase stage. This content will help demystify the home buying experience for first home buyers, take them step by step through the process and educate them on why building new can be a better option than resale property.
The landing page can include:

- Calculators – reverse rent, stamp duty etc
- Video
- Check lists
- Content and articles about the market
- Hot tips on house hunting
- A link to the forms to fill in to apply for the grant
- New homes / developments eligible for the FHOCG grant
realestate.com.au partnership
Notice

Think

Do
Do: Online performance advertising

The most cost effective way to drive a response in an online environment is to use a performance network.

A performance network or publisher will aggregate unsold advertising inventory across top online publishers, much like a video network. Most performance networks will have three elements, the media inventory they have acquired, the technology that powers their network and data to make sure the most relevant people are targeting with advertising messages.

There are a number of performance companies in Australia, and the reality is that they have similar sources for their inventory. What distinguishes each network is the technology they apply to inventory. Based on historical success with other MediaCom clients we are recommending to use Xaxis and Microsoft for this campaign.
Do: Online performance advertising

The Microsoft and Xaxis performance networks are within the largest in terms of potential reach.

Historical testing with other MediaCom clients has shown that these are currently the best two performing networks in market.

We recommend this activity is measured on a cost per click basis.

Creative assets required for performance are:

- Mrec 300x250
- Leaderboard 728 x90
- Skyscraper 120 x600
- Wide Sky 160x600
- Half Page 300x600

We strongly recommend a strong call to action within creative, to generate interest and drive click through.

We recommend the landing page is in line with the creative so that bounce rate is low.
Do: App launch strategy

To launch the FHOCG successfully we recommend a combination of:

- **Mobile Display** — generating awareness of the app, leading to click through and download. The most cost effective way to achieve this is through mobile networks such as Big Mobile and InMobi.

- **Seeding** — we know that people tend to download apps based on recommendations and reviews. Our seeding strategy is all about creating positive sentiment around the app and encouraging downloads.

- **Mobile Search** — this is the most cost effective way to generate app downloads, tapping in to an audience actively looking for apps.
Do: Mobile

In a similar way to online performance there are a number of mobile networks who aggregate unsold display inventory, the two networks MediaCom has seen great results from historically are Big Mobile and InMobi. We are recommending using both of these networks with our bursts of mobile activity, we can direct people to the msite or app and can incorporate this activity into our app download strategy (when this goes live).
Do: Mobile seeding

- Monitoring of ‘1st home buyer’ keywords online
- Listening to conversations using advance spider tools
- Highlighting key destinations where users discover their information

Then seeding the mobile application into the most influential destinations or reviewers.
Do: Search

Raise Awareness

New home builders QLD
First home buyers QLD
Off the plan property QLD

Cross-sell/Compliment other activity

First home owner grant QLD
FHOCG
FHOCG
Home owner grant QLD
First home buyer grant QLD

Bid on keywords across these categories and use targeted ad copy
How will we measure our success online?

We recommend adserving this activity. We will measure the three recommended tiers of activity in the following way:

**Notice:** we recommend utilising the Nielsen panel. Currently we can measure online campaigns on a reach and frequency of unique browsers, which is the best measurement we have had until now. Whilst this gives us an indication of reach and frequency, it is recognised by the industry that these numbers will be inflated, because a unique browsers is counted as a device. What the Nielsen Panel addition allows us to do is to measure to an actual person, by tapping our adserving into this panel so we gain a much more accurate picture of our reach and frequency, to actual people not just devices for our online campaigns. The cost to use this panel is $500, per campaign.

**Think:** we recommend this activity is based on engagement / dwell time

**Do:** we recommend measuring this activity based on cost per click and the number of people that go to the FHOCG landing page and the number of app downloads (for mobile)

Nielsen Panel is not currently compatible with Facebook or Mobile
What could our online success look like?

<table>
<thead>
<tr>
<th>Media</th>
<th>Impressions</th>
<th>eCPM</th>
<th>Estimated reach of UBs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yahoo</td>
<td>705,833</td>
<td>$42.50</td>
<td>141,000</td>
</tr>
<tr>
<td>Nine Video</td>
<td>508,475</td>
<td>$59.00</td>
<td>102,000</td>
</tr>
<tr>
<td>SBS</td>
<td>545,454</td>
<td>$55.00</td>
<td>110,000</td>
</tr>
<tr>
<td>YouTube</td>
<td>70,000</td>
<td>$50.00</td>
<td>14,000</td>
</tr>
<tr>
<td>News</td>
<td>12,121,212</td>
<td>$2.00</td>
<td>2,400,000</td>
</tr>
<tr>
<td>Fairfax</td>
<td>15,000,000</td>
<td>$2.47</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Big Mobile</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>InMobi</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Microsoft</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Xaxis</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

---

Contrary to Public Interest
The media plan
Campaign metrics

Increase in awareness of $15k FHOCG

Increase in applications of $15k FHOCG
Summary of channel metrics

**Notice**

Role: Build reach
Making sure that all QLD know about the $15k grant

**Think**

Role: Build engagement
Make sure all First Time Buyers in have the $15k grant built into their plans if they want to buy new

**Do**

Role: Generating response
Making sure all First time buyers of new property take up the grant

**Metric:** Reach (Impacts & Impressions)

**Metrics:** Dwell time & engagement

**Metric:** Cost per click
Next Steps

- Schedule feedback and tweaks
- Campaign sign off
- Campaign inventory secured
- Final buy confirmed
- Creative specs created and sent to Creative Team at GPYR
- MediaMind set up (MediaCom)
- Creative upload to MediaMind (Creative Team)
- Publisher testing
- Campaign to commence
Appendix
Primary channels hold majority share over secondary channels. More specifically, Network Nine demonstrated the strongest results against our primary buying demographic over the same period last year. Collectively the secondary channels have still, however, attracted over 20% market share and will be bought as part of this campaign to increase overall reach potential and improve overall buying efficiencies.
Television Landscape

HIGH REACH PROGRAMMING – 000’S

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>MY KITCHEN RULES-WINNER ANNOUNCED (7)</td>
<td>STATE OF ORIGIN RUGBY LEAGUE QLD V NSW 1ST - MATCH (9)</td>
</tr>
<tr>
<td>REVENGE-EP.1 (7)</td>
<td>STATE OF ORIGIN RUGBY LEAGUE NSW V QLD 2ND - MATCH (9)</td>
</tr>
<tr>
<td>REVENGE (7)</td>
<td>THE VOICE GRAND FINAL -WINNER ANNOUNCED (9)</td>
</tr>
<tr>
<td>THE BIG BANG THEORY (9)</td>
<td>THE VOICE -SUN (9)</td>
</tr>
<tr>
<td>NEW GIRL (10)</td>
<td>THE VOICE GRAND FINAL (9)</td>
</tr>
<tr>
<td>SEVEN'S TENNIS: 2012 AUST OPEN - MEN'S FINAL (7)</td>
<td>THE VOICE -TUE (9)</td>
</tr>
<tr>
<td>MY KITCHEN RULES-SUN (7)</td>
<td>STATE OF ORIGIN RUGBY LEAGUE QLD V NSW 1ST - POST MATCH (9)</td>
</tr>
<tr>
<td>HOMELAND (10)</td>
<td>THE VOICE -LAUNCH (9)</td>
</tr>
<tr>
<td>MY KITCHEN RULES-THU (7)</td>
<td>THE VOICE -MON (9)</td>
</tr>
<tr>
<td>MY KITCHEN RULES-MON (7)</td>
<td>STATE OF ORIGIN RUGBY LEAGUE QLD V QLD 2ND - PRE MATCH (9)</td>
</tr>
</tbody>
</table>

Key Programming over Q1 (STLY) included My Kitchen Rules, Revenge, Big Bang Theory and the Australian Open Tennis (N/A in light of campaign timing). Moving into Q2, The Voice and State of Origin dominated Top 10 ratings against our demo. All of the above will be considered within our preferred programming set for FHOCG at both a Metro and Regional Level.
### Online: Metro & Regional QLD Site Break Down

<table>
<thead>
<tr>
<th>Publisher</th>
<th>QLD Metro</th>
<th>% QLD Metro</th>
<th>QLD Non Metro</th>
<th>% QLD Non Metro</th>
<th>QLD</th>
<th>% QLD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google</td>
<td>1,775,131</td>
<td>13%</td>
<td>1,506,679</td>
<td>11%</td>
<td>3,281,810</td>
<td>23%</td>
</tr>
<tr>
<td>Microsoft</td>
<td>1,608,690</td>
<td>12%</td>
<td>1,425,830</td>
<td>11%</td>
<td>3,034,519</td>
<td>23%</td>
</tr>
<tr>
<td>Facebook</td>
<td>1,433,247</td>
<td>12%</td>
<td>1,243,032</td>
<td>11%</td>
<td>2,676,279</td>
<td>23%</td>
</tr>
<tr>
<td>Mi9</td>
<td>1,349,521</td>
<td>12%</td>
<td>1,184,832</td>
<td>11%</td>
<td>2,534,353</td>
<td>23%</td>
</tr>
<tr>
<td>Youtube</td>
<td>1,315,386</td>
<td>13%</td>
<td>1,097,810</td>
<td>11%</td>
<td>2,413,196</td>
<td>24%</td>
</tr>
<tr>
<td>News Australia</td>
<td>1,042,361</td>
<td>14%</td>
<td>878,032</td>
<td>11%</td>
<td>1,920,393</td>
<td>25%</td>
</tr>
<tr>
<td>Yahool</td>
<td>1,009,309</td>
<td>12%</td>
<td>832,564</td>
<td>10%</td>
<td>1,841,873</td>
<td>23%</td>
</tr>
<tr>
<td>Fairfax Media</td>
<td>745,865</td>
<td>11%</td>
<td>594,865</td>
<td>8%</td>
<td>1,340,730</td>
<td>19%</td>
</tr>
<tr>
<td>realestate.com.au</td>
<td>473,009</td>
<td>15%</td>
<td>407,559</td>
<td>13%</td>
<td>880,568</td>
<td>28%</td>
</tr>
<tr>
<td>APN News &amp; Media</td>
<td>163,163</td>
<td>19%</td>
<td>213,873</td>
<td>24%</td>
<td>377,036</td>
<td>43%</td>
</tr>
<tr>
<td>SBS</td>
<td>117317</td>
<td>12%</td>
<td>98091</td>
<td>10%</td>
<td>215,408</td>
<td>22%</td>
</tr>
</tbody>
</table>
Example RealEstate.com.au content pages
BRIEFING NOTE

FROM: Treasury and Trade
FOR: Treasurer and Minister for Trade
SUBJECT: Travel costs review – The travel management system and airline travel

Contact Officer: Kerry Phillips, Manager, Corporate Accounting and Taxation, 3035 3324
Record No.: TOQ-01119
Date: 27 July 2012

Requested by: Gerard Benedet
Date Approval Required By: N/A

PURPOSE

1. To provide advice regarding Queensland Treasury and Trade’s (QTT) processes and experiences using the QGCPO supported whole-of-Government (WoG) travel management system (TMS).

BACKGROUND

2. The Minister for Housing and Public Works provided written advice recommending that QTT undertake a review of costs incurred for travel. Additionally, advice was provided regarding use of the WoG TMS as a tool for achieving best travel prices.

3. In 2010, QTT Corporate Services analysed the expected outcome from the adoption of the TMS in response to the WoG mandate for administering travel booking arrangements. Analysis determined that no net financial benefit would be achieved by transitioning to the TMS. However, due to the mandate, the TMS was implemented in November 2010.

ISSUES

4. QTT’s Travel Policy requires that all domestic travel be booked in the TMS unless it is urgent travel, or a more cost effective option is available. Booking officers have relied on the TMS to provide best fare of the day and there is no evidence to support that other online airline or competitor sites are regularly considered.

5. Trade Queensland did not use the TMS in its former department. The majority of Trade’s travel activity is overseas and the TMS cannot be used to book these directly. Contact needs to be made with Hogg Robinson Group (HRG).

6. QTT undertakes quarterly assessments of TMS fares and compares these to online rates. The historical data trend indicates that low value fares are marginally more expensive through the TMS, however flexible fares are significantly cheaper. Attachment 1 contains price comparative information.

7. Attachment 1 sets out Treasury’s travel related expenditure along with the various overhead costs associated with the TMS. Overheads account for 21 per cent of total costs of travel.

8. Historically, in QTT, travel related cost savings have resulted from demand management and use of alternatives such as video conferencing.

9. Since adoption, common issues associated with the TMS include:
   • best fare of the day can be bettered by online airline and Webjet sites for certain fare types (see Attachment 1)

RTI Document No.639
fees and charges associated with the TMS are prohibitive when compared to the overall spend (see Attachment 1), for example shared services fees increased by 150 per cent due to the resource intensive nature of the system.

- the TMS is not intuitive or reliable. There have been several reported instances of double bookings and cancellations via system generation of data in error.

- there is an extensive training requirement to support adoption and maintenance of the TMS.

- the booking process is time consuming and TMS cannot be used for urgent bookings.

- poor experience for travellers, for example, there have been several instances of travellers arriving at their departure point and/or destination to find no flight or accommodation booking in place.

- there is unreliable and delayed billing data emanating from difficulties with system data matching. Whilst QTT's balance is immaterial, the present balance at WOG level exceeds $3 million, represented by approximately 27,000 transactions.

- the TMS cannot be used for overseas travel although HRG does provide a telephone booking service.

RECOMMENDATION

10. Mandated use of the TMS within QTT should be discontinued, with booking officers provided with the flexibility of booking options based on cost effectiveness.

Helen Gluer  
Under Treasurer  

[Table]

<table>
<thead>
<tr>
<th>Approved</th>
<th>Not approved</th>
<th>Noted</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer and Minister for Trade</td>
<td>Comments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tim Nicholls  
Treasurer and Minister for Trade  

[Table]
Table A: Return (best value economy class) saver deals comparison:

<table>
<thead>
<tr>
<th>Origin</th>
<th>Destination</th>
<th>Travel dates</th>
<th>TMS return airfare</th>
<th>Qantas return airfare</th>
<th>Virgin return airfare</th>
<th>Jetstar return airfare</th>
<th>Webjet return airfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brisbane</td>
<td>Canberra</td>
<td>Depart 23 August &amp; 31 August</td>
<td>$321</td>
<td>$322</td>
<td>$338</td>
<td>n/a</td>
<td>$318</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Melbourne</td>
<td>August &amp; 31 August</td>
<td>$192</td>
<td>$309</td>
<td>$344</td>
<td>$178</td>
<td>$178</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Cairns</td>
<td>August</td>
<td>$262</td>
<td>$323</td>
<td>$298</td>
<td>$248</td>
<td>$248</td>
</tr>
</tbody>
</table>

Table B: Return fully flexible comparison:

<table>
<thead>
<tr>
<th>Origin</th>
<th>Destination</th>
<th>Travel dates</th>
<th>TMS return airfare</th>
<th>Qantas return airfare</th>
<th>Virgin return airfare</th>
<th>Webjet return airfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brisbane</td>
<td>Canberra</td>
<td>Depart 23 August</td>
<td>$994</td>
<td>$1,154</td>
<td>$1,100</td>
<td>$1,154</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Melbourne</td>
<td>August &amp; 31 August</td>
<td>$1,315</td>
<td>$1,540</td>
<td>$578*</td>
<td>$1,540</td>
</tr>
<tr>
<td>Brisbane</td>
<td>Cairns</td>
<td>August</td>
<td>$1,266</td>
<td>$1,476</td>
<td>$536*</td>
<td>$1,478</td>
</tr>
</tbody>
</table>

*Virgin does not include refund of fare

A breakdown of Treasury’s travel and the TMS fees and costs are provided in the tables below:

Table C: Treasury travel cost breakdown

<table>
<thead>
<tr>
<th></th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic: Accommodation, meals, allowances</td>
<td>$190,889</td>
<td>$223,053</td>
</tr>
<tr>
<td>Domestic: Air fares</td>
<td>$233,469</td>
<td>$223,612</td>
</tr>
<tr>
<td>Total Domestic travel</td>
<td>$424,348</td>
<td>$446,665</td>
</tr>
</tbody>
</table>

Table D: Treasury additional TMS fees and associated costs

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>QSS account payable &amp; human resources processing forms</td>
<td>$18,195</td>
</tr>
<tr>
<td>TMS SDOL fees (HRG, booking, charges, cancellation)</td>
<td>$4,129</td>
</tr>
<tr>
<td>Travel Management Unit (QGCPO) levies</td>
<td>$4,885</td>
</tr>
<tr>
<td>QSS reconciliation processing in TMS</td>
<td>$23,699</td>
</tr>
<tr>
<td>Treasury based administrator and booking officer estimated costs</td>
<td>$45,000</td>
</tr>
<tr>
<td>Total costs</td>
<td>$95,888</td>
</tr>
</tbody>
</table>
Common problems being experienced with the new TMS include the following:

- Service level agreement of 10 hour travel booking turnaround time not being met by service supplier, Hogg Robinson Group (HRG).

- The large number of systems generated and other emails sent daily to booking officers and agency travel approvers.

- Hotel bookings being cancelled inexplicably.

- Travellers told that they have no reservation when checking in.

- Travellers told when checking out that their bill has been settled by HRG when pay own account (payment by corporate card) arrangements are in place.

- In the case immediately above, HRG than on charge settled amount plus booking fee for hotel error of $21, to client agency.

- Phoned travel booking errors such as travel dates recorded incorrectly by HRG

- TMS data matching deficiencies require manual reconciling by QSS and departments due to enhanced data matching problems which can relate to travel undertaken in a previous calendar year.

- It is unclear which recipient of the supply is entitled to claim GST on bookings as there is no agreement between HRG and all of the departments.

- An increase in overseas travel expenditure is expected due to Trade and Investment Queensland joining Treasury due to the MoG.

- The majority of Trade's travel is overseas, but this cannot be booked through TMS, a form must be completed and emailed through to HRG for manual booking and additional fees.
TOQ-01119

The Honourable Bruce Flegg MP
Minister for Housing and Public Works
GPO Box 2457
BRISBANE QLD 4001.

Dear Minister

Thank you for your letter of 9 July 2012 regarding travel costs and the Travel Management System (TMS).

Through its Travel Policy, Queensland Treasury and Trade (QTT) has implemented strict rules for staff to follow in relation to the incurrence of travel costs. These include the requirement for travel alternatives to be used wherever possible and travel being restricted to only essential activity. A 20 per cent reduction in travel budgets across QTT has been applied, in line with the Queensland Government’s election commitment.

The TMS was fully implemented by QTT in 2010 and since that time regular reviews of internal costs of administering and using the system, shared service fees, charges and other fees levied by Hogg Robinson Group, and airfare and accommodation rates have taken place. Attachment 1 highlights that although flexible fares tend to generate savings through TMS usage, there is little benefit in using the system for the cheaper fare types, including sale and inflexible fares.

Experience of staff throughout QTT suggests that the TMS is not an intuitive system and costs the department in both high levels of time spent administering travel activity and fees incurred for booking changes, cancellations and system generated problems. Further, the system cannot be used for urgent bookings, which is often a requirement in this agency. A full list of common problems is included in Attachment 1.

In addition to the practical problems outlined above, as a result of the complicated billing methods adopted within the system, I understand that there is a large balance of unmatched data across agencies.
Given the recent Cabinet Budget Review Committee decisions to review the current TMS arrangements and the State Procurement Policy, it would seem an ideal opportunity for the Queensland Government Chief Procurement Office to consider the overall framework for not only procurement of travel by agencies but the broader range of low value and low risk procurement that agencies undertake.

The Financial Accountability Act 2009 is principles-based, focusing on accountability and outcomes, with an appropriate level of discretion provided to executives to optimise resource allocation and tailor systems for the administration of their agencies. This basis could usually be applied in reviewing the State Procurement Policy and the overall procurement framework in Government, so that rather than mandating suppliers, processes and systems for low value and common expenditure, agencies could have the autonomy to pursue procurement outcomes in the most cost-effective manner.

If your staff wish to discuss any of the matters raised in this letter in more detail they may contact Mr Duncan Anson, Chief Financial Officer on (07) 3035 3300.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade

cc. the Honourable Campbell Newman MP, Premier
BRIEFING NOTE

FROM  | Treasury and Trade
FOR   | Treasurer and Minister for Trade
SUBJECT | Query posed by Michael Crandon MP, Member for Coomera
Contact Officer: Joanne Kasmer, Finance Branch, Corporate Services, 3035 3330
Record No: TOQ-01745       Date: 2/10/12
Requested by: N/A        Date Approval Required By: N/A

PURPOSE

1. To advise you of a request by Mr Michael Crandon MP, Member for Coomera, for information pertaining to Queensland Treasury and Trade (QTT) procurement contracts.

2. To request endorsement of the response letter (Attachment 1) to Mr Crandon.

BACKGROUND

2. Mr Crandon submitted an email query on the 22 August 2012 requesting information relating to procurement contracts over $50,000 rolled over in the past three years without review, and contracts to be reviewed in the 2012-2013 financial year.

3. A review of all contracts and appropriate procurement strategy is required by QTT staff before extending or re-engaging a supplier to ensure value for money is achieved and to comply with the State Procurement Policy, and internal procedures, workflows and guidelines.

4. Contract extensions are also permissible if incorporated in the original contract and tendering activities.

5. QTT already discloses contract information (as mandated by the State Procurement Policy) through publishing of all awarded contracts and standing offer arrangements, with an initial term value (excluding extensions) over $10,000 on the Queensland Government Chief Procurement Office’s eTender website.

RESULTS OF CONSULTATION

6. The Principal Consultant, Finance Branch, Corporate Services obtained written confirmation by the Manager, Administrative Review Unit that Mr Crandon’s request does not require formal submission via the Right to Information framework.
RECOMMENDATION

7. That you sign the letter to Mr Crandon regarding procurement contracts within QTT.

Helen Gluer
Under Treasurer

Date / /

[Approval Options]

☐ Approved
Treasurer and Minister for Trade

☐ Not approved
Comments

☐ Noted

Tim Nicholls
Treasurer and Minister for Trade

/ /
Mr Michael Crandon MP  
Member for Coomera  
P0 Box 80  
OXENFORD QLD 4210  

Dear Mr Crandon  

Thank you for your email of 22 August 2012 regarding procurement contracts within Queensland Treasury and Trade. In response to the questions posed by your office I wish to confirm the following numbers and values of contracts extended over the last three years with an annual expenditure over $50,000.  

The figures below include contracts where extension options were incorporated into the agreements, and reflect departmental compliance with the State Procurement Policy and internal procedures, workflows and guidelines to review the appropriate procurement strategy before extending or re-engaging a supplier.

<table>
<thead>
<tr>
<th>No. of Contracts</th>
<th>Value of Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$ 3,991,274</td>
</tr>
<tr>
<td>2010-11</td>
<td>$ 4,102,812</td>
</tr>
<tr>
<td>2011-12</td>
<td>$ 7,438,135</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$ 15,532,221</strong></td>
</tr>
</tbody>
</table>

My department has identified 33 procurement contracts (totalling $16,163,914) with an annual expenditure over $50,000 coming up for review in the 2012-13 financial year.

In addition, as mandated by the State Procurement Policy, procurement contract activity is regularly on the Queensland Government Chief Procurement Office's eTender website disclosed with publication of all awarded contracts with an initial term value excluding extensions over $10,000.

Yours sincerely  

Tim Nicholls  
Treasurer and Minister for Trade
BRIEFING NOTE

FROM                      Treasury and Trade

FOR                      Treasurer and Minister for Trade

SUBJECT                   Whole-of-Government Audit of Government Policies

Contact Officer: Clare Burke, Manager, Business Services, 3035 3203

Record No: T00-01825

Date: N/A

Requested by: Gerard Benedet

Date Approval Required By: N/A

PURPOSE

1. The purpose of this submission is to seek your:

- approval of the response (Attachment 1) to the Honourable Jarrod Bleijie MP, Attorney-General and Minister for Justice in relation to his request to identify policies administered by Queensland Treasury and Trade (QTT) where eligibility criteria for government assistance or services are based on Australian citizenship or having a certain Australian visa status
- signature on the attached letter (Attachment 2) to Minister Bleijie.

BACKGROUND

2. Minister Bleijie is co-ordinating a whole-of-Government audit of government policies where eligibility criteria for government assistance or services are based on Australian citizenship or having a certain Australian visa status and is seeking information from QTT in relation to these policies.

RECOMMENDATION

3. That you:

- approve the attached response
- sign the attached letter to Minister Bleijie.

Helen Gluer
Under Treasurer
Date / /

[Approval options]

☐ Approved
☐ Not approved
☐ Noted

Treasurer and Minister for Trade

Comments

Tim Nicholls
Treasurer and Minister for Trade

Date: 16 October 2012

*This officer may be required to provide further detailed information regarding the issue
TOQ-01825

The Honourable Jarrod Bleijie MP  
Attorney-General and Minister for Justice  
GPO Box 149  
BRISBANE QLD 4001

Dear Minister

Thank you for your letter of 26 September 2012 regarding the whole-of-Government audit of government policies where eligibility criteria for government assistance or services are based on Australian citizenship or having a certain Australian visa status.

The attached table (Attachment 1) provides the details on the policy that is managed by Queensland Treasury and Trade that falls within this category.

If your staff wish for additional details on this matter they may contact Ms Melinda Kross, Director, Office of State Revenue on (07) 3012 2786 who will be able to provide assistance.

Yours sincerely

Tim Nicholls  
Treasurer and Minister for Trade

Encl.
## Audit of Eligibility policies for government services and/or assistance that restrict eligibility to Australian or other citizenship or certain visa status.

<table>
<thead>
<tr>
<th>Name of Policy</th>
<th>Departmental or statutory authority policy</th>
<th>Legislative or administrative Policy?</th>
<th>Description of Policy</th>
<th>Eligibility criteria relating to citizenship or residency/visa status</th>
<th>Rationale for restricting eligibility to Australian or other citizenship or holders of certain visas</th>
<th>Contact details</th>
</tr>
</thead>
</table>
| First home owner grant (FHOG) | Departmental. Administered by the Office of State Revenue (OSR). | Legislative. Section 12 of the First Home Owner Grant Act 2000 | Section 12 provides that an applicant for the FHOG, or where there are joint applicants, at least one of the applicants, must be an Australian citizen or permanent resident. This is one of five eligibility criteria that must be satisfied to obtain the FHOG. Applicants are required to provide proof of citizenship or permanent residence. | Section 12 provides:  
(1) Subject to subsection (2), an applicant for a first home owner grant must be an Australian citizen or a permanent resident.  
(2) If an application is made by joint applicants and 1 of the applicants is an Australian citizen or a permanent resident, it is not necessary for the other or others to be Australian citizens or permanent residents. | The FHOG is a national scheme administered by each state and territory under their own legislation. The policy settings for the FHOG are nationally consistent and reflect the principles agreed in the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Arrangements 1999. To prevent abuse of the scheme, the FHOG was restricted to applicants who were able and had demonstrated an intention to permanently reside in Australia. Accordingly, the FHOG was limited to Australian citizens and permanent residents. | Melinda Kross  
Director Policy and Complex Investigations, OSR  
(07) 3012 2786  
melinda.kross@osr.treasury.qld.gov.au |
BRIEFING NOTE

FROM  Treasury and Trade
FOR   Treasurer and Minister for Trade
SUBJECT Project Procure 2012-13 Procurement program or work

Contact Officer: Joanne Kasner, Finance Branch  
Record No: TOQ-02058  
Date: 1 Nov 2012

Requested by: Matt Jeffries  
Date Approval Required By: N/A

PURPOSE

1. To respond to a letter from Project Procure (Attachment 1) in which the organisation highlights its capability to assist in delivering on Queensland Treasury and Trade’s 2012-13 procurement requirements.

BACKGROUND

2. Project Procure is a Brisbane based team of 25 dedicated procurement professionals with experience providing procurement solutions to organisations.

3. Project Procure has invested some effort recently in contacting government agencies to offer their strategic procurement services.

4. Queensland Treasury and Trade has a small strategic procurement team that assists divisions within the department with complex procurement matters.

5. The department has a relatively low risk procurement profile.

ISSUES

6. External assistance to develop and deliver strategic procurement services for the department is not currently required or recommended.

7. Any requirement to engage external support would involve consultation with a number of specialist firms similar to Project Procure.
RECOMMENDATION

8. That Mr Gerard Benedet, Chief of Staff sign the attached letter to Project Procure.

<table>
<thead>
<tr>
<th>Helen Gluer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Treasurer</td>
</tr>
<tr>
<td>Date  /  /</td>
</tr>
</tbody>
</table>

- □ Approved
- □ Not approved
- □ Noted

<table>
<thead>
<tr>
<th>Treasurer and Minister for Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comments</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tim Nicholls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer and Minister for Trade</td>
</tr>
<tr>
<td>/  /</td>
</tr>
</tbody>
</table>

*This officer may be required to provide further detailed information regarding the issue*
TOQ.02058

Mr Heath Jess
General Manager
Project Procure
Level 9, 144 Edward Street
BRISBANE QUEENSLAND 4000

Dear Mr Jess

I refer to your letter of 12 October 2012 to the Honourable Tim Nicholls MP, Treasurer and Minister for Trade, introducing your organisation and offering strategic procurement services, and have been asked to respond on his behalf.

Queensland Treasury and Trade has recently completed and published its 2012-17 Corporate Procurement Plan setting the strategic direction for the department’s procurement function.

We acknowledge the services your team offers and will consider these should any opportunities arise in the future. Thank you for taking the time to write to the Treasurer.

Yours sincerely

Gerard Benedet
Chief of Staff
12th October 2012

Hon Tim Nicholls MP
Treasurer and Minister for Trade
GPO Box 611
Brisbane QLD 4001

Dear Mr Nicholls,

Re: 2012/13 Procurement program or work

Project Procure would like to highlight our capability to assist in delivering your 2012/13 procurement requirements. We understand the new government has a focus on cost savings and innovation opportunities. We believe our specialist procurement consultants can achieve these, whilst undertaking rigorous, auditable and accountable processes.

Project Procure is a highly capable Brisbane based procurement consultancy with a long history of providing procurement expertise to Qld government clients. Successful projects delivered to government organisations include:

- Dept of Transport and Main Roads (Procurement Value Management Project)
- National Heavy Vehicle Regulator (Procurement Strategy and Framework)
- TransLink (Contact Centre procurement)
- Redland City Council (Procurement Capability Review)
- Dept of the Premier and Cabinet (Probity Services)

Our team of procurement specialists can work with your organisation to establish the key procurement activity for 2012/13 and recommended innovative strategies to deliver your procurement program, ensuring projects are delivered on time and below budget.

By way of an introduction to Project Procure, we are a young and dynamic small and medium enterprise (SME) that has rapidly grown into one of the country’s leading providers of specialist procurement services. Our Brisbane team consists of 25 dedicated procurement professionals with experience spanning a large number of industries and categories, providing best practice and fit for purpose procurement solutions for both government and the private sector.

If you wish to discuss any aspect of the procurement services and solutions we provide, please feel free to contact me on...

I look forward to hearing from you soon.

Yours sincerely,

Heath Jess
General Manager
Project Procure

www.projectprocure.com.au
BRIEFING NOTE

FROM
Treasury and Trade

FOR
Treasury and Minister for Trade

SUBJECT
Removal of Abridged Partnership Model from Queensland PPP Guidance

Contact Officer: Mary-Anne Curtis, Projects Queensland
Record No: TRY-01641;
Date: 4 September 2013

Requested by: N/A
Date Approval Required By: / / 

PURPOSE

1. The purpose of this submission is to seek your approval to remove the requirement to use an Partnership Model or an Abridged Partnership Model (APM) in assessing the likely value for money (VFM) of the Public Private Partnership (PPP) approach to delivering major projects.

BACKGROUND

2. Projects Queensland is undertaking a review of the VFM Framework, to clarify the role of the VFM Framework as a complement to the National PPP Guidelines. The VFM Framework calls for the development of the Partnership Model at the business case stage of a project considered for PPP delivery. This is a hypothetical PPP model developed by the government and the technical advisors to a project to test whether the PPP option would deliver greater value for money than the Public Sector Comparator (PSC).

3. Queensland is the only jurisdiction in Australia which requires use of a Partnership Model. The Commonwealth and other States rely on a qualitative assessment of the likely value for money from the PPP option at the business case stage.

4. Following the introduction of the National PPP Guidelines in 2009, the Queensland Government has registered a jurisdictional departure from these guidelines to enable the use of an APM, which has the following objective: "...to evaluate the net present cost of the Risk-Adjusted Public Sector Comparator (PSC) after allowing for additional private sector financing costs and efficiency gains that may result from using a PPP delivery method."

ISSUES

5. The APM is a high level quantitative analysis of the likely cost of delivering the project as a PPP. However, the APM is unlikely to provide an accurate estimate of PPP costs nor the likely risks and benefits of a PPP which are largely dependent on the bidders structure and composition. These include:

   • Private sector financing costs;
   • Taxes to be paid by the PPP company;
   • Estimated efficiency gains from PPP delivery; and
   • The systematic risk premium for the discount rate.

6. As the APM departure guidance does not specify the type of model or analysis to use nor the level of detail to adopt (and it would not be appropriate to specify this at the business case stage), agencies and advisors can adopt inconsistent approaches across projects.
7. Given the limited value of developing the APM for potential PPPs, it is proposed that the
jurisdictional departure requiring preparation of the APM be removed from the National PPP
Guidelines. The assessment of potential PPP projects in Queensland would then follow the
approach of the Commonwealth and other States, which is to undertake a qualitative
assessment of the likely value from a PPP approach at business case stage. The quantitative
assessment of value for money would occur at the end of the procurement phase of a project by
comparing firm, underwritten bids against the PSC.

8. No longer using the APM would remove the perceived assurance of a quantitative assessment
of the potential value for money from the PPP option at the business case stage. However, the
lack of precision in the APM means that this assurance has limited value. The advantage of
removing the requirement to prepare an APM is that the process of preparing a PPP business
case would be simpler and lower cost.

9. In practice, projects which have been delivered as PPPs, such as Gold Coast Rapid Transit,
Sunshine Coast University Hospital, and South East Queensland Schools, have not
predominantly relied on a quantitative assessment of value of money (ie utilising a Partnership
Model) at the business case stage to determine the final procurement approach.

10. Subject to your approval, the action steps for implementing the removal of the APM requirement
are:

- Notifying Infrastructure Australia that the Queensland Departure from the National PPP
Guidelines setting out the APM is revoked.

- In the short term, including a statement on the Projects Queensland web site indicating
that projects being assessed under the Value for Money Framework will no longer be
required to develop a Partnership Model.

- Removing the requirement to develop a Partnership Model from the revised VFM
Framework due to be released in December 2012. A separate brief on the broader
amendments to the VFM Framework will be provided in the near future.

FINANCIAL IMPLICATIONS

11. The removal of the APM requirement will reduce the cost of external advisors preparing a
hypothetical PPP model with limited value, and therefore reduce the costs of business case
preparation for future projects considered for PPP delivery.
RECOMMENDATION

12. That you agree to modify the Queensland departures from the National PPP Guidelines to remove the requirement to prepare an APM.

Helen Gluer  
Under Treasurer  
Date / /  

☐ Approved  
Treasurer and Minister for Trade  
Comments  
☐ Not approved  
☐ Noted

Tim Nicholls  
Treasurer and Minister for Trade  
/ /
BRIEFING NOTE

FROM | Treasury and Trade
FOR | Treasurer and Minister for Trade
SUBJECT | SunWater proposal to fund greenfield assets via brownfield sell-down
Contact Officer: Jason Wishart, PQ, 303 51834 | Record No: TRY-01650 | Date: 27/08/12
Requested by: N/A | Date Approval Required By: / / 

PURPOSE
1. The purpose of this submission is to seek your views of a funding model that SunWater has proposed for new water pipeline infrastructure to service expansion of the resource sector.

BACKGROUND
2. SunWater is progressing proposals for the development of water supply infrastructure to support new resource projects in the Surat and Bowen basins:
   a) Wooleebee Creek to Glebe Weir pipeline (120km) to dispose of up to 36,500 MLpa of treated CSG water from QCLNG project and provide it for beneficial use by mining and irrigation customers along the pipeline route and in the Dawson Valley Water Supply Scheme. This could potentially include supplying new thermal coal mines in the Surat (eg the Xstrata Wandoan project). Estimated capital cost is $110m. SunWater is seeking to achieve financial close in December 2012 and construct between March and November 2013.
   b) Burdekin (Gorge Weir) to Byerwyn pipeline (110km) to supply up to 10,000 MLpa to the northern Bowen Basin for the new Drake and Byerwyn mines. Estimated capital cost is $160m. SunWater is seeking to achieve financial close in December 2013 and construct between March 2014 and November 2015.
   c) Moranbah to Lake Vermont pipeline (70km) to supply up to 5,400 MLpa to the Lake Vermont mine. Estimated capital cost is $100m. SunWater is seeking to achieve financial close in December 2013 and construct between March and October 2014.
3. Collectively these projects could involve capital expenditure of about $370m. The commercial feasibility (business case) of each project has not been reviewed at this stage.

PROPOSITION
4. SunWater understands that it needs to change its reliance on government funding to deliver future infrastructure.
5. One option under consideration is an ‘asset recycling’ funding approach whereby a range of existing pipeline assets are put in an SPV, geared up with increased debt, and majority equity (55%) is sold down to external parties. This frees up cash to retire SunWater’s existing QTC debt and enables SunWater to provide equity to invest in the new pipelines outlined above.
6. The key principles put forward by SunWater are as follows:

a) A portfolio of existing commercial pipelines (ie brownfield assets) with a total value of $635M are transferred to an SPV (structure TBD), probably by way of a lease or licence. Asset values (excluding extraction of corporate overhead of $48M) are as follows:

   I. Burdekin to Moranbah  $280M;
   II. Eungella  $131M;
   III. Awoonga to Callide  $103M
   IV. Kenya to Chinchilla  $54M;
   V. NWPL Cloncurry  $36M;
   VI. NWPL  $27M;
   VII. Eungella Eastern  $27M;
   VIII. Eungella Southern  $25M.

b) The SPV would finance the acquisition of these assets through external debt (60%) and joint SunWater and external equity (40%) – this increases the debt held against these assets compared to SunWater's current position (ie $190M presently, rising to $372M) to allow equity to be extracted/applied to new assets.

c) Third parties would subscribe for the majority equity stake (55%) – SunWater is holding early exclusive discussions with - with SunWater holding the balance (45%).

d) SunWater would extract cash to retire the existing QTC debt held against the brownfield assets ($190M), leaving the balance in the SPV as equity ($120M) and a 2 to 3 year tranche of subordinated debt ($200M).

e) The structure assumes additional equity and debt funding would be sourced as the greenfield projects are developed, with SunWater progressively converting its subordinated debt to equity to maintain its equity share at 45%.

f) SunWater considers that its 45% equity would result in the structure being off-balance sheet, with only the net investment value being included (Treasury is yet to form a view as to whether this assertion would be correct for accounting, ABS or ratings agencies at the whole-of-government level).

g) Financial close on initial equity and debt contributions would be by December 2012 to facilitate the Wooleebbee Creek pipeline project.

7. Attached is a summary of the proposed structure. SunWater and its advisors (Macquarie Capital) have yet to undertake a detailed due diligence analysis of the brownfield assets to determine any 'fatal flaws' or valuation issues with this structure.

DISCUSSION

8. This structural approach involves a number of advantages to attract private funding:

a) Access to an existing portfolio of assets with some degree of risk diversification;

b) Establishing a structure that has the potential to take on greenfield asset risk and the ability to access private finance for these developments (however this is not certain);

c) Potentially creates the opportunity for the structure to be off-balance sheet if the State forgoes control and keeps it at arm's length (may require less equity to be retained than proposed by SunWater);

d) SunWater's technical expertise can continue to be available to the SPV through construction and operational agreements.
9. Disadvantages of this structure include:
   a) The need to sell a portfolio of existing assets (including novate existing off-take contracts – if possible) to dilute the risk of greenfield investment – noting the Government’s current policy position on asset divestments;
   b) The risk that the new vehicle will, after establishment, be unwilling to invest in new greenfield assets (or unable to source the finance to do so), undermining the basis for its establishment;
   c) Locks the Government into deploying the released equity into new greenfield water assets for the benefit of the resource industry, constraining Government’s options on alternative potentials uses of that capital (which may be higher priority) – may be able to be addressed by reducing the Government equity/sub-debt retained in the structure;
   d) Structure locks up SunWater’s high value assets in a way that potentially diminishes or constrains future flexibility to potentially achieve increased value from an unconstrained divestment process, should that become the Government’s policy at that time;
   e) The collective Government exposure (ie continued equity stake by SunWater, along with the subordinated debt and exposure through construction and operations contracts) may result in the vehicle remaining on balance sheet, increasing the level of effective debt (due to the increased gearing and outside equity interest) for the State;

10. There are alternative financing options for the greenfield assets (ie that do not involve selling existing assets during the current term of Government), including:
   a) Users finance development of individual projects – noting that SunWater attracted about user interest in the Connors River Dam, a project that faced increased risk issues compared to these new pipelines;
   b) Third parties finance development, either individually or collectively – State seeks EOI for potential off-takers and/or investors – early indications from market sounding indicate that greenfield assets are no longer necessarily ‘out-of-bounds’ for institutional investors, provided the underlying risks are manageable and the returns are appropriate;
   c) State secures the off-take agreements, finances and undertakes the greenfield development (in part or full) and then subsequently sells (either individually or as part of a portfolio) – effectively providing bridging finance during risk reduction phase, taking the market value risk on subsequent disposal;

11. A number of policy decisions and commercial issues require resolution to determine if this proposal is optimal to meet the Government’s objectives:
   a) Threshold issue: is the Government willing to privatise/recycle these existing infrastructure assets during 2012?
   b) Would the Government be willing to seek third party equity from the market (as opposed to exclusively negotiating with) in order to seek competitive tension in valuation of existing assets and investment interest in new assets?
   c) Does the Government want to retain a minority equity stake (45% or otherwise) in the new structure, or fully withdraw (noting risk of on-balance sheet classification increases with the level of Government ownership/control)?
   d) Does the Government want to allocate the funds realised from the sale of these existing pipeline assets to investment in new pipeline assets, either through this vehicle, directly through SunWater or otherwise?

12. Subject to your initial views on these issues, Projects Queensland can undertake more detailed analysis of appropriate structural options.
RECOMMENDATION

13. Your views are sought on the proposed structure and the issues raised.

<table>
<thead>
<tr>
<th>Helen Gluer</th>
<th>Date / /</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Treasurer</td>
<td></td>
</tr>
</tbody>
</table>

- Approved [ ]
- Not approved [ ]
- Noted [ ]

<table>
<thead>
<tr>
<th>Treasurer and Minister for Trade</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tim Nicholls</th>
<th>Date / /</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer and Minister for Trade</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><em>Action Officer/Author:</em></th>
<th><em>Director:</em></th>
<th><em>ED/AUT:</em></th>
<th><em>OUT:</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jason Wishart</td>
<td>Graeme Garrett</td>
<td>Dave Stewart</td>
<td></td>
</tr>
<tr>
<td>Branch/Division:</td>
<td>PQ</td>
<td>PQ</td>
<td>PQ</td>
</tr>
<tr>
<td>Telephone:</td>
<td>303 51834</td>
<td>303 51837</td>
<td>303 51966</td>
</tr>
<tr>
<td>Date:</td>
<td>27/08/12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*This officer may be required to provide further detailed information regarding the issue*
Structure Overview

Indicative portfolio finance structure

- Third Party Equity: >50%
- SunWater Equity: <50%
- Senior Financiers
- SunWater subordinated debt
- Sub debt redeemed to fund SunWater equity for Greenfield Assets
- Project SPV
- Lease / Licence
- 100% Ownership

- Brownfield Asset
- Brownfield Asset
- Brownfield Asset
- Portfolio of assets leased from SunWater

- Greenfield Asset
- Greenfield Asset
- Greenfield Asset
- New assets owned by Project SPV

- Q&M Provider (SunWater)
- Offtaker

Attachment
BRIEFING NOTE

FROM: Treasury and Trade
FOR: Treasurer and Minister for Trade
SUBJECT: 2018 Commonwealth Games Village Issues

Contact Officer: Leah Kelly, Projects Queensland, 3035 1841
Record No: TRY-01655
Date: 30/09/2012
Requested by: N/A
Date Approval Required By: 07/09/2012

PURPOSE

1. The purpose of this brief is to provide information regarding the Gold Coast 2018 Commonwealth Games Athletes Village (Games Village) and recommend that accountability for delivery of the project moves to the Department of Tourism, Major Events, Small Business and the Commonwealth Games Commonwealth (Office of Games Coordination) or its proposed statutory vehicle.

BACKGROUND

2. In October 2011, the former government considered a preliminary business case for the Parklands Redevelopment Project, which included the Games Village and the Gold Coast Health and Knowledge Precinct (GCHKP). The GCHKP encompasses the $1.76 billion Gold Coast University Hospital, Griffith University’s proposed expansion, and two light rail stations and a bus interchange as part of the Gold Coast Rapid Transit project. The Parklands site will not be vacated until October 2013. Existing tenants have been advised that activities at the site would be required to cease from September 2013.

3. On 29 May 2012, the Minister for Tourism, Major Events, Small Business and the Commonwealth Games released a statement confirming that the Gold Coast 2018 Commonwealth Games Corporation Board (Organising Committee) confirmed Parklands as the preferred Games Village site.

4. The Department of State Development, Infrastructure and Planning (DSDIP) has been preparing a detailed business case for the Parklands Redevelopment Project. DSDIP has been working towards submitting the business case to Government for consideration in October 2012.

5. To date, no response to your correspondence of 4 June 2012 to the Deputy Premier and Minister for Infrastructure seeking support to transition the Games Village project to Projects Queensland has been received.

ISSUES

Business Case development

6. DSDIP and Projects Queensland officers have been working together to finalise the detailed business case. However, DSDIP is still the lead agency for design, planning, commercial and financial decisions, with Projects Queensland acting in an advisory role to ensure that the business case is both pragmatic and robust.

7. The detailed business case will be jointly sponsored by the Deputy Premier and Minister for State Development, Infrastructure and Planning and the Minister for Tourism, Major Events, Small Business and the Commonwealth Games.

8. Recently, the Directors-General of DSDIP and the Department of Tourism, Major Events, Small Business and the Commonwealth Games agreed that the DSDIP project team will be seconded to the Office of Games Coordination (OGC) to ensure a smooth project transition from business case to procurement and delivery by the new statutory body (further information on the proposed statutory body is below).
9. DSIRP and QGO are leading consultation with Commonwealth Games related stakeholders in relation to the project, particularly the Organising Committee.

10. Projects Queensland has been advised that the detailed business case is subject to review and approval by the Chair of the Organising Committee, Nigel Chamier, prior to submission to Government.

11. Projects Queensland is generally comfortable with the analysis being undertaken in the business case, subject to any changes to the financial and commercial assumptions that may be made at the request of the Organising Committee. At a high level, the detailed business case will include:
   
   - an estimated cost for a base case solution, including site preparation works, installation of trunk infrastructure necessary to facilitate development of the Games Village and mix of temporary and permanent accommodation and overlay facilities, with the ultimate accommodation mix to be determined by the private sector based on market conditions;
   
   - the Games Village residential development and overlay (e.g. dining hall, retail outlets, media centres) scoped to meet minimum Commonwealth Games Federation requirements, with the option for use of temporary buildings where appropriate; and
   
   - a recommendation that broader health and knowledge development not be pursued until after the Commonwealth Games, to provide maximum flexibility for development of the Games Village on the Parklands site.

12. The detailed business case financial analysis is based on: market sounding with property developers, construction companies and temporary accommodation providers; experiences of other jurisdictions in delivering Olympic and Commonwealth Games' villages; and input from the State's commercial advisor. The market sounding and commercial advice has indicated significant risks associated with the Games Village project. At a high level these include:
   
   - risks associated with on time and on budget delivery of such a large scale residential development in the current Gold Coast market (with the requirement that a tailored planning framework be developed for the Games Village to streamline approvals processes and provide certainty to the private sector);
   
   - weak Gold Coast property market conditions and oversupply issues, increasing sales risk and concerns about the ability for the State to achieve risk transfer to the private sector. It is considered that the use of temporary accommodation may assist to mitigate the oversupply issue; and
   
   - difficulty for developers in obtaining financing for a project of this scale in the current market, with the associated delivery timeframe.

14. The preliminary business case completed in late 2011 estimated a net present cost for the Games Village of approximately $635 million (for a permanent/temporary accommodation scenario). However, this estimate included a number of simplifying assumptions (it was based on a high level design and accommodation solution and was not risk adjusted). At the time, it was noted that in the absence of a significant improvement in Gold Coast property market conditions, an increased net cost of the Games Village estimated in the detailed business case could be expected.

15. It is noted that the detailed business case analysis differs significantly from that undertaken by the Bid Company in early 2011, which estimated a net cost to the State of $48.8 million. However, Treasury has always maintained that the Bid Company estimate materially overstated revenue, understated construction and infrastructure costs and provided overly optimistic assumptions about staging and sales profiles.
16. This view is supported by an independent review of the Bid Company’s estimate, undertaken by the State’s commercial advisor.

17. Attached is a recent presentation prepared by DSDIP for briefings to senior Government officers and the Chair of the Organising Committee. It is understood that DSDIP is awaiting feedback from the Organising Committee on the approach being taken to the business case (Attachment 1).

**Procurement and Delivery phases for the Games Village**

18. The Office of Games Coordination, within the Department of Tourism, Major Events, Small Business and the Commonwealth Games, is preparing to establish a new statutory body to be responsible for managing procurement and delivery of the Games Village (and broader health and knowledge precinct development post-Games). This entity would be granted specialised legislative planning powers (potentially through amendments to the Commonwealth Games Arrangements Act 2011) to enable streamlined approvals processes and provide planning certainty for the private sector.

19. It is expected that the necessary legislative drafting will be prepared during 2012, and subject to Government approval of the approach, will be in place in early 2013.

20. While it is considered that the procurement and delivery role could be managed within an existing Government department, a statutory body approach will also be able to deliver the Games Village if set up within an appropriate commercial framework, focused on delivering the project at minimum cost and risk to the State. Appropriate resourcing will be key, as well as establishing necessary budgetary and reporting arrangements with Government. It is expected that high level commercial principles for the procurement and delivery of the Games Village will be established as part of the detailed business case and going forward, the statutory body would be required to submit any material changes in approach to Government for approval.

21. It is understood that the Minister for Tourism, Major Events, Small Business and the Commonwealth Games, and the Chair of the Organising Committee support the establishment of a statutory body.
RECOMMENDATION

22. It is recommended that you:
   • note the contents of this brief; and
   • approve that Projects Queensland’s role remains one as an advisor for the Games Village project.

Helen Gluer
Under Treasurer

☐ Approved
Treasurer and Minister for Trade

☐ Not approved
Comments

☐ Noted

Tim Nicholls
Treasurer and Minister for Trade

Date / /
Objectives of briefing

1. Advise on upcoming OC Chairperson briefing
2. Update on business case progress
3. Outline financial assessment findings
4. Seek support for business case recommendations
5. Seek agreement on critical next steps
Briefing to Nigel Chamier, Organising Committee Chairperson

- First briefing scheduled for Friday 24 August
- To inform on preliminary findings of the financial assessment and business case direction
- Understood the Chairperson must sign off on the business case before it is submitted to government
- Advanced Lodge submission due 10 September 2012; scheduled for consideration from 24 September 2012
- Understood the Chairperson will be unavailable for much of August/September
- First six (draft) Chapters of the Business Case have been provided to the Chairperson
Background

- March 2011, Games Bid Company reported $48.9M cost to the state for the Games Village based on Savills analysis, included in Bid Book
- Treasury raised concerns analysis and assumptions understated the state subsidy required to deliver the village
- November 2011, a Preliminary Business Case based on an EY financial assessment identified the cost to the state ranged between $120M and $208M – based on Bid Book Design
- Contrasting findings were due to construction cost, refit, staging, rate of apartment sales and sales value assumptions
- August 2012, Detailed Business Case based on extensive market sounding, updated design based on known site conditions and RLB cost estimates
# Historical NPC comparisons

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated construction cost ($m)</td>
<td>426</td>
<td>452.6</td>
<td>557</td>
</tr>
<tr>
<td>Indicative NPC to the State ($m)</td>
<td>(50)</td>
<td>(48.9)</td>
<td>(208)</td>
</tr>
<tr>
<td>Permanent residential units (no.)</td>
<td>• 1766 + 250 room hotel</td>
<td>• 1506</td>
<td>• Same as Savills Incoll model</td>
</tr>
<tr>
<td>Relocatable accommodation (no.)</td>
<td>• -</td>
<td>• -</td>
<td>• Sensitivity test with 30% relocatable (leased)</td>
</tr>
<tr>
<td>Inclusions/exclusions</td>
<td>• N/A</td>
<td>• Early works</td>
<td>• Early works</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Residential build</td>
<td>• Residential build</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Utility costs</td>
<td>• Utility costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Developer margin</td>
<td>• Developer margin</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Temporary Games Village Overlay</td>
<td>• Temporary Games Village Overlay</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exclusions</td>
<td>• Residential FFE costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Utility costs of $18.4M</td>
<td>• Non-res FFE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• FFE costs</td>
<td></td>
</tr>
<tr>
<td>Annual construction escalation rate</td>
<td>N/A</td>
<td>• 2.37 – 3.21%</td>
<td>4.02 – 4.08%</td>
</tr>
<tr>
<td>Annual sales escalation rate</td>
<td>N/A</td>
<td>• 2.5 – 15% (avg 6%)</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
Business Case – Financial Evaluation Framework

Phase 1
Options Assessment

- Base Case
- MHC
- 2013-17 Assessment
- Temporary
- Number of Developers
- Market fed incentives

EVALUATION
- Quantitative – Risk adjusted net present value at project and sub-project level
- Qualitative – Considering contribution to strategic objectives

Phase 2
Preferred Option Assessment

- Preferred Costs
- Detailed Economic Assessment
- Detailed Financial Assessment
- Contractual Arrangements
- Procurement Process
- Implementation Plan

August 2012

Department of State Development, Infrastructure and Planning

Queensland Government
Preliminary Financial Analysis

- Market led scenario still being assessed – net cost to State is expected to be slightly less than Scenarios 7(b) and 8(b)
- Market led scenario will become the Business Case’s “Reference Design”
Market Led Scenario – Reference Design

- Whole site utilised for Games Village
- 1 ha of QH land not provided until after 2018
Market-led development scenario

- permanent residential accommodation – 786 apartments
  - general market apartments – 647 (224 x 1 beds, 423 x 2 beds)
  - student accommodation – 48 (4 bed urban nest style units)
  - serviced apartments – 91 (19 x 1 beds, 66 x 2 beds, 6 x 3 beds)
  - 66% of athlete accommodation

- relocatable residential accommodation – 373 modules
  - all single storey (21m² per 2 athletes)
  - supplied just in time for the Games
  - removed/relocated post the Games
  - 34% of athletes accommodation
Market sounding program

- 65 participants from 36 organisations were interviewed during the program, including:
  - A cross-section of developers and construction companies
  - Property financiers
  - Modular construction specialists
  - Student accommodation specialists
  - Victorian Government (lessons from the 2006 Games)
  - Griffith University (as a key stakeholder)
  - Health and knowledge based businesses and organisations
  - Mining company representatives (relocatable accommodation re-use)
Key market sounding findings

- Significant interest in delivering the project
- Preference for the project to be delivered under special legislation to enable fast-tracked development and approvals – timely delivery of the Village identified as No. 1 risk
- Desire for a single government authority with a mandate to make project decisions and partner with private sector
- Delivery by a single, integrated consortium with a managing developer, builder(s) and equity financier(s)
- Establish a specialist design review panel – option to include GCCC
- Inclusion of retail and commercial components of the village as an activator for the residential development, could be used for Games overlay with savings to the state
Key market sounding findings

• Opportunity to include village operations in the overall procurement package, however, may create risk to the OC and state
• State should lead early works – demolition, bulk earthwork and trunk infrastructure
• A significant proportion of athlete accommodation needs to be relocatable
• Project should apply PPP principles (although not a traditional PPP)
• Formal Griffith University agreement to secure input – student accommodation and legacy development
• Formal agreement with GCCC to clarify its role in delivery and post Games administration
• Health and knowledge supported but needs further definition and attraction strategy
• The Bid Books MIMO approach is complex, high risk and not viable
Business case recommendations

- Note cost to state and financial impact of delivering the village (cost to state not to be publicly released before procurement completed in 2014)
- Approve Games Village reference design and budget allocation – clarity on budget to June 2014
  - Approve establishment of a statutory body to deliver the village
  - State to undertake early works
  - State to procure one development consortium to deliver permanent and relocatable accommodation and overlay
  - EOI followed by a RFP
  - Development Agreement settled May/June 2014
  - Project’s budget to be reviewed in 2014/15 Budget
- Set commercial principles to be included in offer document and Development Agreement
- Procurement method to be reviewed along the way to ensure ongoing competition and value for money for the State – option for state to remove overlay and temporary residential from the offer
Project implementation - critical considerations

- Statutory body is required - must have enabling legislation providing development approval powers
- Future project governance & reporting arrangements
- Confirm project sponsor and champions
- Address state budget implications
- Briefings prior to funding and policy submission lodgement:
  - Responsible Ministers (DP and Commonwealth Games)
  - Premier
  - Treasurer
# Key activities – next 12 months

<table>
<thead>
<tr>
<th>Action</th>
<th>Date</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodgement of funding submission</td>
<td>10 Sept 2012</td>
<td>Joint submission (DP and CG Minister)</td>
</tr>
<tr>
<td>CBRC consideration</td>
<td>24 Sept 2012</td>
<td></td>
</tr>
<tr>
<td>Lodgement of policy submission covering proposed statutory body and legislative arrangements</td>
<td>September 2012</td>
<td>Commonwealth Games Minister only</td>
</tr>
<tr>
<td>Statutory body to be operational</td>
<td>March 2013</td>
<td>Establishment to occur Jan-March 2012</td>
</tr>
<tr>
<td>CGF to approve master plan and works schedule</td>
<td>April 2013</td>
<td>Immoveable deadline</td>
</tr>
<tr>
<td>Early works procurement process to commence</td>
<td>April 2013</td>
<td></td>
</tr>
<tr>
<td>Developers consortium procurement process to commence</td>
<td>April 2013</td>
<td>Successful consortium appointed by May/June 2014 (delivery by October 2017)</td>
</tr>
<tr>
<td>Commencement early works including demolition</td>
<td>Oct 2013</td>
<td>Parklands tenants to vacate site Sept 2013</td>
</tr>
</tbody>
</table>
BRIEFING NOTE

FROM Treasury and Trade
FOR Treasurer and Minister for Trade
SUBJECT Toowoomba Second Range Crossing Business Case – Revised Consultant Funding Arrangements

Contact Officer: Robert Fleming, Projects Queensland
Ph: 3035 1854
Record No: TRY-01735
Date: 05/09/2012
Requested by: N/A
Date Approval Required By: 13.9.12

PURPOSE

1. The purpose of this submission is to seek your:
   - approval of revised funding arrangements for the costs of Projects Queensland developing the 2012 Toowoomba Second Range Crossing Business Case; and
   - signature on the attached letters to the Honourable Jeff Seeney MP, Deputy Premier and Minister for State Development, Infrastructure and Planning, and the Honourable Scott Emerson MP, Minister for Transport and Main Roads seeking their agreement to these arrangements.

BACKGROUND

2. Projects Queensland (PQ) is currently developing the 2012 Toowoomba Second Range Crossing (TSRC) Business Case (Business Case), for consideration by the State before the end of 2012 in line with the Government’s public commitments. To meet this timeframe, PQ has recently engaged consultants (including engineering, traffic modelling, financial and commercial, legal and economics) to assist in the development of the Business Case.

3. In the Government’s Costings and Savings Strategy, $5M, sourced from the Roads to Resources Program, was identified for the update of the TSRC Business Case. Consistent

4. 

ISSUES

5. Based on its recent budget outcome advice, TMR has now raised concern with funding the 2012 TSRC Business Case on its current timetable.

6. PQ has been progressing the development of the 2012 Business Case consistent with the Government’s publicly committed timetable (end of 2012). Accordingly, as outlined below, there is some external risk in Government now deferring development of the Business Case to 2013-14 or 2014-15 to meet the funding allocation timing.
The Australian Government (Infrastructure Australia (IA) and the Department of Infrastructure and Transport) is aware of the State’s intention to update the TSRC Business Case by the end of 2012, for progression to IA for consideration of Australian Government funding in early 2013.

- Consistent with TMR’s and DSDIP’s stakeholder engagement expectations, PQ has recently consulted with councils (Toowoomba Regional Council and Lockyer Valley Regional Council), the SEQ Council of Mayors and industry groups (Queensland Resources Council, Surat and Toowoomba Enterprise and Queensland Trucking Association) on the Business Case development and timetable. Some of this consultation has included a representative from the Office of the Deputy Premier and Minister for State Development, Infrastructure and Planning.

- Whilst PQ retains the right to terminate its consultancies at its discretion, approximately $0.5M of costs has been incurred to date.

- Given Government’s public commitments on timing, there would likely be some market reaction to the cessation of the process at this time.

*Interim Funding Solution*

7. Sch. 3(2)(1)(b), Sch. 3(2)(1)(c)
RECOMMENDATION

12. That you:

- Sch. 3(2)(1)(b), Sch. 3(2)(1)(c)

[Signature]
Helen Gluer
Under Treasurer

[Date]

☐ Approved
Treasurer and Minister for Trade

☐ Not approved
Comments

☐ Noted

[Signature]
Tim Nicholls
Treasurer and Minister for Trade

[Date]

---

* This officer may be required to provide further detailed information regarding the issue

RTI Document No.827
BRIEFING NOTE

FROM | Treasury and Trade
FOR | Treasurer and Minister for Trade
SUBJECT | Toowoomba Second Range Crossing – Design Considerations

Contact Officer: Robert Fleming, Projects Queensland, 3035 1854
Record No: TRY-01876
Date: 19/09/2012
Requested by: N/A
Date Approval Required By: 21/09/2012

PURPOSE

1. The purpose of this brief is to:
   - seek your endorsement of the proposed intersection designs and tunnel dimensions for the 2012 Toowoomba Second Range Crossing Business Case (Business Case);
   - inform you of the intention for this design to maintain a 1% annual exceedence probability (1 in 100 year) flood design standard (as per current Transport and Main Roads standards), with the likelihood of some negative public comment from the Lockyer Valley Regional Council in relation to the Gatton Creek Bridge; and
   - seek your approval that on your endorsement of the design arrangements, similar endorsement will be sought from the Deputy Premier and Minister for State Development, Infrastructure and Planning and the Minister for Transport and Main Roads.

BACKGROUND

2. Government has endorsed that Projects Queensland (PQ), with the assistance of the Department of Transport and Main Roads (DTMR), develop a revised business case for the Toowoomba Second Range Crossing (TSRC) by the end of 2012.

3. In May 2012, the Government agreed a preferred technical solution for the TSRC, including at-grade intersections, for assessment in the Business Case. This solution aimed to still meet the TSRC objectives, while improving project affordability.

4. PQ’s technical advisors, Aurecon/MWH, are currently progressing the design phase for the TSRC. Intersection design and tunnel dimension were identified as key areas for consideration by the Deputy Premier and Minister for State Development, Infrastructure and Planning, and the Minister for Transport and Main Roads when selecting the preferred design in May, with a focus on improved affordability. The final design is due for completion by 21 September 2012, to enable the development of project costings.

ISSUES

Intersection Design

5. In progressing the design, consistent with Government’s preference, Aurecon/MWH has considered, in the first instance, at-grade intersection design solutions at the five proposed intersections on the TSRC (west to east, refer Attachment A for the TSRC layout):

   - Gore Highway;
   - Cecil Plains Road;
   - Charlton (Warrego Highway West);
   - Mort Street; and
   - Helidon (Warrego Highway East).
6. In order to confirm the suitability of at-grade intersection solutions, Aurecon/MWH considered intersection operations based on forecast (untolled) traffic numbers in 2026 and:

- safety and capacity of crossing movements;
- junction capacity in urban areas;
- ability to allow for future upgrades; and
- ability to maintain uninterrupted flow on the TSRC (being the priority route).

7. This assessment was based on the intersection achieving a standard of service acceptable to DTMR, specified as level of Service D to at least 2026. Based on this assessment, and input from DTMR’s Planning and Design and Road Safety units, the preferred intersection design solutions are detailed below (and illustrated in Attachment B):

<table>
<thead>
<tr>
<th>Location</th>
<th>Preferred Option</th>
<th>Cost* (2012$)</th>
<th>Comment</th>
</tr>
</thead>
</table>
| Gore Highway              | At-grade T-intersection                 | Contrary to Public Interest | **Consistent with Public Interest**
| Cecil Plains Road        | At-grade signalised cross intersection  | Contrary to Public Interest | **Consistent with Public Interest**
| Charlton (Warrego Highway West) | At-grade signalised cross intersection | Contrary to Public Interest | **Consistent with Public Interest**
| Mort Street               | At-grade on and off slip roads utilising required bridge structure over Mort Street | Contrary to Public Interest | **Consistent with Public Interest**
| Helidon (Warrego Highway East) | Grade separation east bound traffic on existing Warrego Highway | Contrary to Public Interest | **Consistent with Public Interest**

* Note – comparative costs are direct construction costs only.

8. Aurecon/MWH’s intersection design report is included as Attachment C.

**Benefits Attributable to Proposed Intersection Solutions**

9. The proposed intersection designs seek to improve affordability by minimising any required separations where these are considered necessary. Whilst there is some additional cost above a basic at-grade intersection design with some of the preferred solutions described above, this is expected to be offset by the resulting benefits associated with improved operational outcomes and a reduction in costs associated with increased accidents.
10. To illustrate, in 2004 a grade-separated intersection replaced an at-grade intersection along the Warrego Highway near Gatton at a cost of around $12 million. Over the five years prior to the new intersection, there were 31 reported accidents (including one fatality) compared to the five years after the new intersection, where there were 18 reported accidents (no fatalities).

11. The accident cost comparison for the five years prior and five years after the new intersection is $12.2 million and $4.1 million respectively. This represents a total cost saving over the five years of $8.2 million, and an annual accident cost saving of $1.6 million per annum. Based on this cost comparison, the benefits of the intersection (based solely on accident cost improvements) are greater than the cost of the new intersection by year eight.

_Flood Design Standard_

12. The Lockyer Valley Regional Council (LVRC) is seeking an enhanced flood protection solution for the TSRC Gatton Creek Bridge (near the Helidon (Warrego Highway East) intersection) to cater for a 1 in 2000 year flood event as experienced in 2011.

13. The design solution required to cater for this flood event would be an 800m bridge structure, costing significantly more than the 100m bridge structure proposed to cater for an annual exceedance probability (AEP) of 1% (1 in a 100 year) flood event. DTMR’s Technical and Management group support maintaining DTMR’s existing policy of designing to accommodate a 1% AEP.

14. Based on DTMR’s advice, the TSRC design is being developed to cater for a 1% AEP flood event including the design of the Gatton Creek Bridge. The bridge design will ensure minimal afflux issues should an event similar to 2011 re-occur.

15. A key reason for maintaining the existing 1% AEP design is not only the significant cost impact on this project, but also the precedent any change would likely set for future projects across the State.

16. It is anticipated that the LVRC is unlikely to support this decision and will publicly raise concerns about the TSRC design solution not catering for a flood event similar to the one that occurred in 2011.

_Tunnel Dimensions_

17. The project team has considered variations of tunnel cross-sections of 8.5m, 10m, and 11.7m, with clearance heights of 5.3m and 6m. The estimated cost of each of these dimensions is detailed below.

<table>
<thead>
<tr>
<th>Tunnel Dimension</th>
<th>8.6m wide $M (2012$)*</th>
<th>10m wide $M (2012$)*</th>
<th>11.7m wide $M (2012$)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Height</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.3m</td>
<td>Contrary to Public Interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6m</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: These are direct job costs (DJC). Outturn costs (incl. risk, escalation and project management costs) are estimated to be 2.5 times the DJC.

18. The 2008 design, an 11.7m cross-section, allowed for up to three lanes (2x3.5m, 1x3.7m lane, 2x0.5m shoulders) and catered for capacity well in excess of estimated demand. This design allows for emergency stopping (if only two lanes are utilised), maintenance activities, and capacity to absorb additional traffic should a lane be blocked, or the existing range crossing closed. Further, 11.7m accommodates passenger vehicle and B-triple interaction without the perception of congestion (relevant given the rural location).
19. An 8.6m cross section is consistent with urban tunnel design (2x 3.5m lanes, 1m and 0.6m shoulders) and allows no additional space for emergency stopping. TMR technical opinion has not indicated that safety aspects associated with 8.6m cross-section make this dimension unfeasible. However, some concern exists that this width given its proposed use by heavy vehicles (HV), including B-triples, and that this does not provide any capacity for break-downs without impacting traffic flow. The 8.6m cross section is the lowest cost option.

20. Whilst the 10m cross-section (2x3.5m lanes, 2m and 1m shoulders) provides some additional width, Aurecon/MWH has advised that this is not consistent with recommendations under the AUSTROADS standards. This is primarily due to safety issues with the shoulders being wide enough to encourage stopping, but not wide enough to provide for safe stopping.

21. Whilst the 11.7m option provides additional safety and capacity allowances, it is also around estimated total outturn cost) more expensive than the 8.6m cross-section. An 8.6m cross-section is consistent with AUSTROADS recommendations, provides for two lanes of traffic expected to be able to accommodate the interaction of passenger vehicles and B-triples, and provides capacity to meet expected future traffic demands (to beyond 2050). Accordingly, a tunnel width of 8.6m is recommended as meeting project requirements including affordability.

22. Tunnels in Brisbane and around Australian have been constructed to a maximum height of 5.4m (Brisbane Inner City Bypass). Records of over-dimensional vehicles utilising the existing Toowoomba Range over 2008 to 2011 indicate that with a posted clearance of 5.3m, the tunnel could accommodate some 98% of loads. Whilst future growth in the Surat Basin may see an increase in higher loads, these can be accommodated via the existing range crossing. Accordingly, a tunnel height of 5.3m is recommended as being adequate to accommodate the majority of oversized vehicles.

FINANCIAL IMPLICATIONS

23. The combined cost (direct construction cost only) of the five proposed intersection solutions on the TSRC is expected to be around $2012. This compares to the total direct costs for these intersections of around $2012 (equivalent $) in the 2008 Business Case. There is only limited further saving opportunity from using full at-grade intersections in all instances, but this contributes in specific cases to unacceptable congestion, delay and safety outcomes.

24. Based on a clearance height of 5.3m, the cost difference (direct construction cost only, $2012) between an 8.6m wide tunnel and an 11.7m wide tunnel is approximately. This equates to an estimated total (outturn) cost difference of approximately.

RESULTS OF CONSULTATION

25. PQ has consulted with DTMR’s technical groups, including the Road Planning and Design and Road Safety units. The proposed intersection solutions are supported by DTMR as being appropriate for the project (particularly safety outcomes), and consistent with affordability objectives.

26. PQ has consulted with the Toowoomba Regional Council (TRC) and LVRC on the TSRC design including intersection considerations. The proposed Mort Street grade separated intersection solution is one proposed by the TRC. Whilst TRC also proposed an intersection at Boundary Street, PQ has considered this proposed intersection and concluded it does not significantly contribute to the TSRC objectives. However, the TSRC design will not preclude future connection with Boundary Road if funded by TRC.
27. PQ has not yet advised LVRC of the State’s intention to maintain its existing policy of a 1% AEP flood event design standard for the Gatton Creek Bridge. Whilst the proposed bridge design is being designed to minimise afflux issues for upstream communities, the LVRC may publicly raise concerns about this approach being a lesser standard than its' preferred.

28. Both the TRC and LVRC have expressed concern as to whether the tunnel dimensions (initially proposed to councils as a 10m cross section) are adequate to meet the future traffic demand and are seeking design width adequate to allow for additional future tunnel capacity. This is due to the tunnel structure effectively capping the capacity of the TSRC.

29. On your endorsement of the proposed intersection and tunnel designs, given their interest in aspects of the TSRC project, similar endorsement will be sought on the design arrangements from the Deputy Premier and Minister for State Development, Infrastructure and Planning, and the Minister for Transport and Main Roads.

RECOMMENDATION

30. That you:
   
   - endorse the inclusion of the intersection (further detailed in Attachment B) and tunnel designs outlined above for assessment in the Toowoomba Second Range Crossing Business Case;
   - note that a 1 in 100 year flood design standard will be adopted in the design for assessment in the Business Case; and
   - approve that on your endorsement of the proposed design arrangements, similar endorsement will be sought from the Deputy Premier and Minister for State Development, Infrastructure and Planning, and the Minister for Transport and Main Roads.

Helen Gluer
Under Treasurer  Date / / 

☐ Approved  ☐ Not approved  ☐ Noted
Treasurer and Minister for Trade  Comments

Tim Nicholls
Treasurer and Minister for Trade  / / 

* This officer may be required to provide further detailed information regarding the issue
Toowoomba Second Range Crossing

Reference Design*

- Gore Highway to Cecil Plains Road – single lane dual carriageway;
- Cecil Plains Road to Warrego Highway West – single lane dual carriageway;
- Warrego Highway West to Mort Street – single lane dual carriageway with alternate overtaking lane;
- Mort Street to Tunnels – two lane dual carriageway;
- Tunnels – twin two lane tunnels;
- Tunnels to Warrego Highway East – two lane dual carriageway.

*Please note: This design is subject to change. The circles on the diagram above represent intersections.
Toowoomba Second Range Crossing - Intersection Design Solutions

Gore Highway

Cecil Plains Road
Charlton (Warrego Highway West)

Mort St
FILE NOTE

DATE 06 September 2012
JOB No. 8350000X

PROJECT Toowoomba Second Range Crossing
SUBJECT Implications of at-grade intersections

FOR INFORMATION OF

FOR ACTION BY

THIS NOTE RECORDS:

\MEETING
\PHONECALL
\THOUGHT/IDEA
\TECHNICAL NOTE

\CLIENT BETWEEN MWH
\CONTRACTOR AND PQ
\SUPPLIER TIME
\CONCEPT INTERSECTION DESIGN

Detail:

This technical note has been prepared to consider the implications of changing the (grade-separated) Interchanges proposed by the 2008 Toowoomba Second Range Crossing (TSRC) reference design to at-grade intersections. The location of the intersections is illustrated in the appendix. It is understood that the context for the decision is reduce the capital cost of delivery, thus improving the prospect of the TSRC being delivered to address the significant issues associated with the existing crossing.

This technical file note considers:

- The multi-criteria items considered in this appraisal
- Strategic Fit
- Road Safety
- Traffic Capacity
- Conclusion

Methodology

The design process to determine whether or not to grade-separate an intersection is not clear cut; there is no definitive advice that prescribes when an intersection should be grade-separated. Guidance is contained in both the Department of Main Roads Road Planning and Design Manual and Austroads Guide to Road Design.

The major factors justifying grade separation will be:

- Safety and capacity of crossing movements
- Junction capacity in urban areas; and
- Maintaining uninterrupted flow on motorways;

DMR Road Planning and Design Manual Chapter 16 Interchanges

The objectives of new and existing road projects should be carefully considered to achieve the desired balance between the level of traffic service provided, safety, whole of life costs, flexibility for future upgrading or rehabilitation, and environmental impact. These objectives should address areas including:

\AUUBS1503/Projects/Project/8350000X - Aurecon - Toowoomba 2nd Range Crossing/40 Technical/40.00 Transportation/Reports/Intersection Design/150911 Technical Note Intersections_v4 issued.docx

INITIALS

RTI Document No.842
• strategic fit with relevant government policies, strategies and plans
• the nature and magnitude of transport demand
• road safety
• community views and expectations
• travel times and costs
• freight costs
• public transport provision
• provision for cyclists and pedestrians.

Austroads Guide To Road Design Part 2: Design Considerations

Work is on-going and will be reported separately in respect of the objectives identified by Austroads. In particular, travel times and associated user costs, public transport, non-motorised users and active transport. The strategic fit with relevant government policies, strategies and plans will be considered in more detail within the Needs Analysis but is summarised here to provide context. This technical note focuses on road safety and traffic capacity which has informed the concept design of the intersections.

Strategic Fit

There are two important strategic policy points and direction from Projects Queensland that have influenced the concept intersection design. These are summarised as follows:

• The intersections should all be at-grade
• The TSRC should be the priority route at all intersections

Road Safety

The 2008 Business Case reference design included grade separated interchanges. The addition of at-grade intersections within the 2012 reference design is likely to increase the potential for crashes on the TSRC (in comparison to the 2008 reference design) as it is introducing traffic conflict; vehicles will cross paths in the same horizontal plain.

A detailed road safety analysis is being undertaken considering the impact of the TSRC on the probability of road crashes occurring along it’s whole length to input into the 2012 Business Case. To supplement this work and inform the intersection design, historical crash data has been extracted from similar sites for comparison purposes. The sites considered are as follows and illustrated in the appendix to this note:

• Warrego Highway / Brisbane Valley Highway
• Warrego Highway / Gatton – Esk Road / Eastern Drive (eastern interchange on the Gatton Bypass)
• Cunningham Highway / New England Highway

A summary of the five year crash stats for each intersection is reported in the following table. The timeline for the data is 2005 – 2009 except for Warrego Highway / Gatton – Esk Road / Eastern Drive which is for the period 1999 – 2003, the reason for which is explained later.
<table>
<thead>
<tr>
<th>Intersection</th>
<th>AADT</th>
<th>Fatal</th>
<th>Hospitalisation</th>
<th>Medical Treatment</th>
<th>Minor Injury</th>
<th>Property Damage</th>
</tr>
</thead>
</table>

Table 1 Five Year Crash Stats For Intersections

The annual average daily traffic (AADT) of the Warrego Highway/ Brisbane Valley Highway broadly matches that predicted at Warrego East intersection, the Warrego Highway / Gatton – Esk Road / Eastern Drive that of the Warrego West Intersection and the Cunningham Highway/ New England Highway that of Cecil Plain Road. In broad terms, the crash stats reported in Table 1 could be replicated at the proposed at-grade intersections along the TSRC.

In the period leading up to 2003 it was recognised that Warrego Highway / Gatton – Esk Road / Eastern Drive had a road safety problem. In 2003 significant work was undertaken to improve the intersection with the provision of a grade-separated interchange. The change in road crashes is reported in the graph below.

![Figure 1 Comparison of Crash Stats for Warrego Highway/ Esk Road before and after grade separation](image_url)

\[AUSRS1502\]Reports\Projects\Projects8250000X - Aurcon - Toowoomba 2nd Range Crossing\#40 Technical\#40.09
\[Transportation\]Reports\Intersection Design\1020911 Technical Note Intersections_v4 issued.docx
The graph clearly shows the positive impact on road safety of upgrading the at-grade intersection to a grade-separated interchange.

Traffic Capacity

Traffic data from the 2008 Business Case and (latterly) that provided by the modelling consultant (Transposition) has been used to guide the development of the concept intersection designs. An iterative process has been adopted which provides an efficient concept design process as well as responding to the timeline over which data has been made available. This process is illustrated below.

![Diagram of Traffic Capacity Process]

Figure 2 Concept Intersection Design Process

Initial sketch designs were undertaken using the 2026 two-way flow AADT data from the 2008 Business Case because at the time the 2012 Business Case traffic flows were not available. The traffic data is summarised in the table below which reports the largest flows on each link (where there are multiple arms at the intersection).

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Intersection Location</th>
<th>Traffic Flow (2008 Business Case 2026 AADT Flow Talled)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Warrego East</td>
<td>32,063</td>
</tr>
<tr>
<td></td>
<td>TSRC</td>
<td>8,891</td>
</tr>
<tr>
<td>B</td>
<td>Mori Street</td>
<td>1,970</td>
</tr>
<tr>
<td></td>
<td>TSRC</td>
<td>7,604</td>
</tr>
<tr>
<td>C</td>
<td>Warrego West</td>
<td>17,996</td>
</tr>
<tr>
<td></td>
<td>TSRC</td>
<td>7,694</td>
</tr>
<tr>
<td>D</td>
<td>Cecil Plains Road</td>
<td>7,860</td>
</tr>
<tr>
<td></td>
<td>TSRC</td>
<td>5,215</td>
</tr>
<tr>
<td>E</td>
<td>Gore Highway</td>
<td>10,389</td>
</tr>
<tr>
<td></td>
<td>TSRC</td>
<td>3,597</td>
</tr>
</tbody>
</table>

Table 2 2008 Business Case 2026 Talled AADT Flow

\AUBRS1502\Projects\Projects\8350000X - Auracon - Toowoomba 2nd Range Crossing\40 Technical\40.09 Transportation\Reports\Intersection Design\120911 Technical Note Intersections_v4 Issued.docx
From a preliminary analysis of the traffic flow numbers reported above, it is obvious that the traffic at the Warrego East is significantly higher than that at the other intersections. A two-way AADT flow of over 30,000 vehicles indicates that the road is serving a significant traffic function and should be considered for grade-separation within the context of its likely classification as a Freeway/Motorway (Austroads Guide To Traffic Management Part 5: Road Management Table 2.1).

The initial stage sought to define the form of the intersection. In the first instance, guidance from the UK Design Manual for Roads And Bridges (Geometric Design of Major Minor Priority Junction) has been used to identify suitable forms. Figure 3 illustrates this process using the references from Table 2.

![Figure 3 Initial Evaluation Of At-Grade Intersection Form (references from Table 2)](image)

Figure 3 illustrates that the intersection of Warrego East with the TSRC is the one that is most likely to require reconsideration as a grade-separated intersection as it sits entirely outside the scope of the graph in Figure 3. The 2008 Business Case included a grade-separated solution that involved a simple fly-over as illustrated in Figure 4. This provides a safer and more appropriate solution. On road safety grounds alone, the 2008 approach is considered to be the most appropriate solution for Warrego East.
In general terms, roundabouts have not been considered due to the difficulty in designing and constructing them to safely accommodate heavy vehicles movements which can account for 40% of the predicted traffic flow.

Having undertaken the initial appraisal of the type and form of the intersections further data was provided by the modelling consultant for the 2026 scenario. The traffic flows for the tolled scenario were considered too low and based on the fact that the model was a work in progress, it was agreed with Projects Queensland that the 2026 untolled data be used in the concept appraisal of the intersections as the data was similar to that used in the 2008 Business Case submission. The turning count data provided by the modelling consultant on 06 September 2012 has been used in the following analysis. The turning count diagrams are appended to this technical file note.

The intersections have been subject to an initial capacity assessment using SIDRA which reports results in a number of ways. It was agreed with Projects Queensland that for the 2026 scenario a Level of Service (LoS) D is an acceptable level of performance for the intersections. Of interest in this study are both the LoS and Degree of Saturation (DoS):

- The LoS is a delay-based assessment of the operation of the intersection; the LoS is worse the longer vehicles are subject to delay.
- The DoS approach considers (within the assessment period) the ratio of volume to capacity; can the number of vehicles wishing to get through the intersection do so within the assessment period?

Reporting and discussion relating to the results of the capacity assessment of each intersection follows, including any safety related design considerations. All intersections have been tested using data from the modelling consultant provided on 06 September 2012, as reported above. It should be noted that at this stage the SIDRA assessment has not exhaustively sought to optimise the operation of the traffic signals. Straight-forward lane and stage configurations have been used to reflect the broad nature of the analysis at this stage and reflect the coarse nature of the data provided.
Micro-simulation modelling is being undertaken using the concept intersection designs recommended in this report. This modelling will consider the operation of the intersections in the context of the whole corridor and take into account specific vehicle characteristics. The results from this modelling exercise and any implications for the concept intersection designs will need to be considered once the micro-simulation has been completed.

**Warrego Highway East**

Warrego Highway East has been conceptually designed as a traffic signal controlled intersection with TSRC the priority movement that operates in two stages, as illustrated below.

The illustration shows the interaction of traffic streams at the intersection. The movement from Warrego Highway east into Toowoomba is a separate movement which peels off prior to this intersection so does not form part of the modelling. The intersection operates in two stages; the traffic travelling along the TSRC and the traffic exiting Toowoomba.

**Figure 5 Warrego East Initial Concept Layout**

The results of the SIDRA analysis are summarised below.
The SIDRA results demonstrate that the intersection operates within its theoretical capacity with acceptable (LoS C) delay to traffic, due to the simplicity of the movements under traffic signal control.

At concept level, there are a number of road safety considerations:

- Traffic signals are located in a rural environment where drivers will not be expecting them.
- Need to manage the speed on the approaches to the intersection.
- The intersection adds delay at the start of the TSRC which may discourage traffic from using it and potentially reducing the positive impact of the TSRC on reducing traffic and crashes on the existing range crossing.
Mort Street

The Mort Street intersection was conceptually designed as an at-grade T-Intersection as illustrated below.

The illustration shows the number of lanes allocated to each movement at the intersection. The bridge over the existing Mort Street alignment required by the TSRG effectively provides for grade-separated north-south movement which enables consideration of access on only one side of the TSRG.

Figure 6 Mort Street Initial Concept layout

The results of the SIDRA analysis are summarised below.

<table>
<thead>
<tr>
<th>AM</th>
<th>Degree of Saturation</th>
<th>Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PM</th>
<th>Degree of Saturation</th>
<th>Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4 Mort Street 2026 SIDRA Results
The analysis clearly shows that the at-grade T-intersection cannot deal with the level of traffic predicted in 2026. An alternative arrangement has been tabled by Toowoomba Regional Council (TWC) with provides an additional arm north of the TRSC to facilitate all movements via on and off slips. There is no significant capacity constraint to the TWC option which also utilises the TSRC bridge over Mort Street, illustrated below.

![Image of TWC Mont Street Option]

At concept design level, the TWC option does not appear to present any safety concerns that would not be expected and covered within a rigorous design process. However, the T-intersection would present safety concerns as traffic joining the TSRC may take unacceptable risks due to the predicted delays.
Warrego West

The Warrego West intersection has been conceptually designed as a traffic signal controlled intersection as illustrated below.

The illustration shows the number of lanes allocated to each movement at the intersection under traffic signal control. The left turn movement from Warrego Highway West to TSRC is proposed to be accommodated on a dedicated slip road and does not interact with the intersection.

Figure 8 Warrego West Initial Concept Layout

The results of the SIDRA analysis are summarised below.

<table>
<thead>
<tr>
<th>AM</th>
<th>Degree of Saturation</th>
<th>Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LOS A &amp; LOS A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LOS A &amp; LOS A</td>
<td></td>
</tr>
<tr>
<td>PM</td>
<td>LOS A &amp; LOS A</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LOS A &amp; LOS A</td>
<td></td>
</tr>
</tbody>
</table>

VAuBRS1502\Projects\Project\8350000X - Auroscan - Toowoomba 2nd Range Crossing\Design\2.20611 Technical Note Intersections_v4 issued.docx

INITIALS
Table 5 Warrego West 2026 SIDRA Results (including right turn from TSRC north)

The analysis highlights that the intersection can operate within theoretical capacity to accommodate the predicted traffic flows. There is delay, as would be expected with traffic signals, all of which is LoS D or below in 2026.

At concept level, there are road safety considerations:

- Need to manage the speed on the TSRC approaches to the intersection.

Cecil Plains Road

Cecil Plains Road has been conceptually designed as a staggered T-intersection. To replicate the operation of the intersection within SIDRA it has been modelled as two separate T-intersections which are illustrated below.

The illustration shows how the intersection has been modelled in SIDRA. The actual form of the intersection has the two components ‘stacked’, with the vehicle movement travelling along Cecil Plains Road undertaking a left-right stagger.

Figure 9 Cecil Plains Road Initial Concept Layout

The results of the SIDRA analysis are summarised below.
<table>
<thead>
<tr>
<th>AM</th>
<th>Degree of Saturation</th>
<th>Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><img src="AM1.png" alt="AM Diagram" /></td>
<td><img src="AM2.png" alt="AM Diagram" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PM</th>
<th>Degree of Saturation</th>
<th>Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><img src="PM1.png" alt="PM Diagram" /></td>
<td><img src="PM2.png" alt="PM Diagram" /></td>
</tr>
</tbody>
</table>

Table 6 Cecil Plains Road (west) 2025 SI0HA Results
Table 7 Cecil Plains Road (east) 2026 SIDRA Results

The analysis demonstrates that the intersection operates within capacity as a staggered-T in respect of the degree of saturation but that there is a significant delay (LoS F) on some arms which may lead to drivers taking unacceptable risks when exiting from Cecil Plains Road east.

At concept level, an additional safety consideration would be the ability to accommodate large vehicles travelling along Cecil Plains Road within the staggered intersection (pocket) particularly as this is predicted to be the major movement. There is a risk that very large vehicles may ‘overhang’ the turning pocket and obstruct through traffic.

The combination of the aforementioned safety concerns associated with delay to the Cecil Plains Road east arm and the issue with accommodating large vehicles in the turning pocket means that, on balance, an alternative design should be considered. A signalised intersection has been tested and the results reported below.
Figure 10 Cecil Plains Road Traffic Signal Layout

<table>
<thead>
<tr>
<th>AM</th>
<th>Degree of Saturation</th>
<th>Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PM</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 8 Cecil Plains Road Traffic Signal Option 2026 SIDRA Results
The SIDRA analysis demonstrates that the signalised intersection operates within all agreed levels of service. The delay does reach a LoS D in 2026 which is within the agreed acceptable level of performance, but will need further consideration through the design process.

At concept level, there are a number of road safety considerations:

- Through the design process seek to minimise delay to prevent vehicles running red lights;
- Need to manage the speed on the approaches to the intersection.

**Gore Highway**

The Gore Highway intersection has been conceptually designed as a T-intersection with the TSRC receiving priority. The intersection layout is illustrated below.

![Gore Highway Initial Concept Layout (TSRC priority)](image)

The illustration shows the number of lanes allocated to each movement at the intersection with the TSRC being given priority.

Figure 11 Gore Highway Initial Concept Layout (TSRC priority)

The results of the SIDRA analysis are summarised below.
<table>
<thead>
<tr>
<th>AM</th>
<th>Degree of Saturation</th>
<th>Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PM</th>
<th>Degree of Saturation</th>
<th>Delay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 9 Gore Highway 2026 SIDRA Results (TSRC priority)

The analysis demonstrates that the intersection operates well within capacity (degree of saturation) as a T-Intersection. Some delay is experienced on the TSRC priority option for traffic exiting the Gore Highway from Toowoomba onto the TSRC however this is a very small number of vehicles.

At concept level, the main road safety concern would be for drivers taking unacceptable risks to avoid delay although, as noted, this only impacts on a small number of vehicles.

**Construction Cost**

In order of magnitude costing comparison will follow.
Conclusion

The concept design of the intersections has been undertaken in the context of the strategic direction from Projects Queensland with due consideration of the road safety and traffic capacity implications.

In general terms, the provision of grade-separation significantly improves road safety and capacity at intersections by removing conflict. However, this decision needs to be tested as part of a wider appraisal process and the implications of at-grade intersections for road safety and capacity are summarised below:

- There is a history in the area of at-grade intersections having poor safety records with the intersection of Warrego Highway / Gatton – Esk Road / Eastern Drive being grade-separated in 2003 making a significant improvement to road safety.
- Given the capacity analysis and assuming safe design, at this stage, at-grade intersections operate appropriately for Mort Street, Warrego West, Cecil Plains Road and the Gore Highway.
- The Warrego East intersection is predicted to accommodate an AADT flow of over 30,000 vehicles. Within a functional road hierarchy this places within the highest classification (Highway/ Freeway) and accordingly intersections should be grade-separated. This is validated by the appraisal against the UK guidance for at-grade intersections (Figure 3) which identifies that the Warrego East intersection fails significantly outside the parameters for consideration as an at-grade intersection.

The recommendation from the concept design process is that the following grade-separations be considered moving forward:

- Warrego East (refinement of the 2008 Business Case design)

The recommendation from the concept design process is that the following at-grade intersections be considered moving forward:

- Mort Street (Toowoomba Regional Council option)
- Cecil Plains Road (traffic signal intersection)
- Gore Highway (TSRC priority)
- Warrego West (traffic signal intersection)

The Mort Street intersection has been categorised within this report as being at-grade. However, its operation is aided by the fact that the TSRC crosses over Mort Street via a bridge structure. The bridge structure is part of the TSRC alignment works and would be required even if there were not an intersection in this location. Therefore it is the alignment driving the Mort Street flyover and not the intersection design.

It should be noted that the conclusion and recommendations from this note will need to be validated against the final 2012 Business Case traffic numbers and the results of micro-simulation modelling.
Appendix 1
Intersection Location Plan
Appendix 2
Road Crash Analysis Sites
Methodology

The following locations were identified by the project team for the analysis:

- Warrago Highway / Brisbane Valley Highway
- Warrago Highway / Gatton - Esk Road / Eastern Drive (eastern interchange on the Gatton Bypass)
- Cunningham Highway / New England Highway

Data inputs:

- 2011 modelled flows (TransPosition - 31/07/2012)
- 1999 to 2012 accident data for Lockyer Valley Region (WebCrash - 01/08/2012)
- 1999 to 2012 accident data for Warrago Highway / Brisbane Valley Highway (TMR - 17/08/2012)
- 1999 to 2012 accident data for Cunningham Highway / New England Highway (TMR - 30/08/2012)

The state provides detailed accident records through its WebCrash accident reporting system. It states that the following note needs to be considered when evaluating crash data:

"All crash data for Queensland for 2010 and 2011 has not been finalised. This is due to the time it takes for Police to complete crash investigations, finalise reports, and collect additional information from other sources such as the coroner, pathologist and government medical laboratory. The Department of Transport and Main Roads (DTMR) is reporting all severity crash data to 31 December 2009. Fatal crash data is finalised for 2010 and DTMR is reporting preliminary fatal crash data to April 2012.

The implementation of new systems in 2006 has affected figures during July 2006 to June 2007. In particular, the following should be noted for crashes occurring between July 2006 and June 2007:

1. The number of all crashes reported during July 2006 to March 2007 is below expected,
2. A greater proportion of minor injury casualties and lower hospitalised casualties reported,
3. Increase in unknown licence types,
4. Increase in unknown restraints use,
5. Increase in unknown helmet use for motorcyclist casualties,
6. Increase in unknown helmet use for bicyclist casualties.

This means that there has been a change in the data series affecting casualty and crash severity. As a result, non-fatal casualty and crash severity cannot be compared. This affects calculations for hospitalised per 100,000 population, severity distribution analysis, and any frequency comparisons involving data from July 2006 to June 2007."

Analysis

Each of the intersections were analysed separately over a 10 year period between 2000 and 2009. Accidents where assumed to have occurred at the intersection based on a 500m radius from the centre of each of the intersections.

Of particular note was the intersection of the Warrago Highway / Gatton - Esk Road / Eastern Drive; which was upgraded from an at grade give-way intersection to a grade separated arrangement as part of the Gatton Bypass duplication project, which opened in October 2003.
Figure 12 Accident History (2000-2010) Warrego Highway / Brisbane Valley Highway

Figure 13 Accident History (2000-2010) Cunningham Highway / New England Highway
Figure 14 Accident History (1999-2003) Warrego Highway / Gatton – Esk Road / Eastern Drive – Before Upgrade

Figure 15 Accident History (2005-2009) Warrego Highway / Gatton – Esk Road / Eastern Drive – After Upgrade
Table 10 10yr Accident History - At Grade Intersections

<table>
<thead>
<tr>
<th>Accident Severity</th>
<th>2000 - 2009 (10yrs)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Warrego Hwy / Brisbane Valley Highway</td>
<td>Cunningham Hwy / New England Highway</td>
</tr>
<tr>
<td>Fatal</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hospitalisation</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>Medical Treatment</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>Minor Injury</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Property Damage</td>
<td>53</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>22</td>
</tr>
<tr>
<td>2011 AADT</td>
<td>32,349</td>
<td>7,180</td>
</tr>
</tbody>
</table>

Table 11 Accident History - Before and After Grade Separation

<table>
<thead>
<tr>
<th>Accident Severity</th>
<th>1999 - 2003 (5yrs)</th>
<th>2005 - 2009 (5yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Warrego Hwy / Gatton-Esk Rd (before opening)</td>
<td>Warrego Hwy / Gatton-Esk Rd (after opening)</td>
</tr>
<tr>
<td>Fatal</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Hospitalisation</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Medical Treatment</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Minor Injury</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Property Damage</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>18</td>
</tr>
<tr>
<td>2011 AADT</td>
<td>16,018</td>
<td>16,018</td>
</tr>
</tbody>
</table>

Table 12 Calculated Crash Rates per 1,000,000 vehicles

<table>
<thead>
<tr>
<th>Accident Severity</th>
<th>Warrego Hwy / Brisbane Valley Highway</th>
<th>Cunningham Hwy / New England Highway</th>
<th>Warrego Hwy / Gatton-Esk Rd (before opening)</th>
<th>Warrego Hwy / Gatton-Esk Rd (after opening)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatal</td>
<td>0.012</td>
<td>0.055</td>
<td>0.056</td>
<td>-</td>
</tr>
<tr>
<td>Hospitalisation</td>
<td>0.146</td>
<td>0.110</td>
<td>0.390</td>
<td>0.049</td>
</tr>
<tr>
<td>Medical Treatment</td>
<td>0.097</td>
<td>0.110</td>
<td>0.724</td>
<td>0.345</td>
</tr>
<tr>
<td>Minor Injury</td>
<td>0.110</td>
<td>0.055</td>
<td>0.056</td>
<td>0.049</td>
</tr>
<tr>
<td>Property Damage</td>
<td>0.305</td>
<td>0.275</td>
<td>0.501</td>
<td>0.443</td>
</tr>
<tr>
<td>Total</td>
<td>0.670</td>
<td>0.604</td>
<td>1.726</td>
<td>0.886</td>
</tr>
</tbody>
</table>

Table 13 Accident Savings per 1,000,000 vehicles - Grade Separated vs At Grade

<table>
<thead>
<tr>
<th>Accident Severity</th>
<th>Accident Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatal</td>
<td>0.056</td>
</tr>
<tr>
<td>Hospitalisation</td>
<td>0.341</td>
</tr>
<tr>
<td>Medical Treatment</td>
<td>0.379</td>
</tr>
<tr>
<td>Minor Injury</td>
<td>0.006</td>
</tr>
<tr>
<td>Property Damage</td>
<td>0.058</td>
</tr>
<tr>
<td>Total</td>
<td>0.840</td>
</tr>
</tbody>
</table>
Appendix 3
2026 Turning Count Diagrams
Source: Transposition 06/09/2012
BRIEFING NOTE

FROM: Treasury and Trade
FOR: Treasurer and Minister for Trade
SUBJECT: Approval of release of Expression of Interest for the Government Wireless Network Project

Contact Officer: Mary-Anne Curtis, Projects Queensland 3035 1861
Record No: TRY-02177
Date: 16 October 2012
Requested by: N/A
Date Approval Required By: 17 October 2012

PURPOSE

1. The purpose of this submission is to seek your approval for the release of the Expression of Interest (EOI) document for the Government Wireless Network (GWN) Project.

BACKGROUND

2. The proposed GWN is intended to replace the existing radiocommunications systems used by Queensland’s Public Safety Agencies and provide improved security, interoperability between agencies and added functionality.

3. On 17 October 2012, CBRC will consider delegating authority for you to approve the final EOI document for the GWN Project before it is released. These recommendations are provided on the basis that CBRC approves this delegation.

 ISSUES

4. Subject to your approval, Projects Queensland wishes to release the EOI document as soon as possible. The EOI period will close on Friday 16 November 2012. EOI responses will be evaluated against pre-determined criteria and a shortlist of proponents will be developed. The shortlisted proponents will be invited to participate in the next stage of the competitive bid process, an interactive process to develop binding offers capable of acceptance by the State. Projects Queensland anticipates that a contract will be signed with the successful proponent in mid-2013. These timelines are extremely tight but necessary to ensure the GWN is available for G20 meetings in late 2014.

5. Your office was provided with a marked up version of the final EOI document showing all changes made to the document since the version circulated to CBRC, together with a table summarising the material changes.

6. The final version of the EOI document is attached for your approval.

FINANCIAL IMPLICATIONS

7. The costs of releasing the EOI document are minimal and are limited to newspaper advertisement costs of up to $10,000.

MEDIA RELEASE

8. Projects Queensland understands that you intend to issue a media release to coincide with the opening of the EOI process of the GWN Project.
BRIEFING NOTE

<table>
<thead>
<tr>
<th>FROM</th>
<th>Treasury and Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOR</td>
<td>Treasurer and Minister for Trade</td>
</tr>
<tr>
<td>SUBJECT</td>
<td>GWN Project – Exemption from requirement to apply GITC Framework</td>
</tr>
<tr>
<td>Contact Officer</td>
<td>Craig Smith, Projects Queensland, 3035 1838</td>
</tr>
<tr>
<td>Requested by</td>
<td>N/A</td>
</tr>
<tr>
<td>Record No:</td>
<td>TRY-02223</td>
</tr>
<tr>
<td>Date:</td>
<td>29 Oct 2012</td>
</tr>
<tr>
<td>Date Approval Required By</td>
<td>/ /</td>
</tr>
</tbody>
</table>

PURPOSE

1. The purpose of this submission is to seek:
   - your approval that the Government Information Technology Contracting (GITC) Framework is not an appropriate contractual framework for the Government Wireless Network (GWN) Project and that a tailored contractual framework be developed; and
   - your signature on the attached letter to the Auditor-General.

BACKGROUND

2. Section 13 of the State Procurement Policy (SPP) requires that “Budget sector agencies and statutory bodies must use the GITC Framework when procuring information and communications technology (ICT) goods and services”. The SPP is mandated by section 19(3)(a) of the Financial and Performance Management Standard 2009.

3. The GITC is designed to create a common set of contractual conditions for procurement of ICT goods and services. As a result of its modular approach and common set of contractual conditions, the GITC is most appropriate for low to mid-complexity ICT procurements.

ISSUES

Applicability of GITC

6. [Blank]
Exemption Process

9. A process exists to seek an exemption from the requirement to apply the GITC contractual framework.
10. Section 59 of the *Financial Accountability Act 2009* (the Act) provides that:

1. The Treasurer may, wholly or partly, exempt a department or statutory body from complying with a financial and performance management standard.
2. The exemption must:
   (a) be in writing; and
   (b) state:
      (i) the day the exemption ends; or
      (ii) the day by which the Treasurer must review the exemption to decide whether it is appropriate for the exemption to continue.
3. Before granting the exemption, the Treasurer must consult with the Auditor-General and, to the extent the proposed exemption relates to planning or performance management, the Premier.

11. A draft of the proposed exemption is attached. As the exemption relates only to the requirement to apply the GITC for the GWN Project (as opposed to an exemption from the State Purchasing Policy as a whole), this constitutes a partial exemption under the Act.

12. The nature of the State's eventual GWN contracting entity and the length of the contract have not been finally determined. Accordingly, there is a need to retain flexibility in the exemption arrangements. The draft exemption applies:
   - only in relation to the requirement to use the GITC Framework for the GWN Project;
   - to Queensland Treasury and Trade, the Department of Science, Information Technology, Innovation and the Arts, and any other budget sector agency, Government Owned Corporation or Special Purpose Vehicle which may enter into any contract for the purposes of the GWN Project; and
   - until a compulsory review date on 30 June 2023, to decide whether it is appropriate for the exemption to continue.

13. The Act requires you to consult with the Auditor-General in relation to the exemption. It is recommended that you sign the attached letter to the Auditor-General to ensure that the legislative consultation requirement is satisfied. A draft of the proposed exemption will be provided as part of that correspondence.

14. Your approval of the exemption is not required at the present time. Following consultation with the Auditor-General, you will be provided with the final version of the exemption for signature in due course.

**RESULTS OF CONSULTATION**

15. Projects Queensland consulted with the Queensland Audit Office (QAO) at officer level in relation to the proposed exemption. The QAO did not raise any concerns about the proposed exemption.

16. Projects Queensland also consulted with the other agencies represented on the GWN Steering Committee (i.e. the Department of Premier and Cabinet, Queensland Police Service, the Department of Community Safety, the Department of Science, Information Technology, Innovation and the Arts, CITEC and the Queensland Government Chief Information Office) and all indicated no objection to the proposed exemption. Projects Queensland also consulted with the Director-General of the Department of Housing and Public Works (which has responsibility for the State Purchasing Policy), who raised no objection.
RECOMMENDATION

17. That you:

- approve that the Government Information Technology Contracting (GITC) Framework is not an appropriate contractual framework for the Government Wireless Network (GWN) Project and that a tailored contractual framework be developed;

- sign the attached letter to the Auditor-General, to ensure the State has complied with the consultation requirement under the Financial Accountability Act 2009; and

- note that you will be provided with the final version of the exemption for signature in due course, following consultation with the Auditor-General.

Helen Gluer
Under Treasurer

☐ Approved
Treasurer and Minister for Trade
Comments

☐ Not approved
Treasurer and Minister for Trade

☐ Noted

Tim Nicholls
Treasurer and Minister for Trade

Name: *Action Officer/Author: Director: (Initials) ED/AUT: (Initials) OUT: (Initials)
Craig Smith Mary-Anne Curtis Dave Stewart
Projects Queensland Projects Queensland Projects Queensland
3035 1856
3035 1856
3035 1856
29 October 2012

* This officer may be required to provide further detailed information regarding the issue.

RTI Document No.876
TRY-02223

Mr A Greaves  
Auditor-General of Queensland  
Queensland Audit Office  
PO Box 15396  
CITY EAST QLD 4002  

Dear Mr Greaves

I refer to the Government Wireless Network (GWN) Project which is led by Projects Queensland within Queensland Treasury and Trade.

The Queensland Government’s public safety radio networks are based predominantly on analogue technology and are increasingly limited in their capability to meet the current and future requirements of public safety communications in Queensland. The proposed GWN is intended to deliver enhanced digital voice radio and narrowband data communications, initially for the public safety agencies. Other Queensland Government agencies and authorities, local governments and other public safety providers will potentially utilise the GWN’s services as it is progressively deployed throughout the State.

The Government’s objective is to enter into contractual arrangements with a private sector provider, who will design, build, finance, build, operate and maintain the GWN under a managed service arrangement with a State entity.


In relation to the contractual arrangements for the GWN, clause 13 of the State Procurement Policy (SPP) requires that “Budget sector agencies and statutory bodies must use the Government Information Technology Contracting (GITC) Framework when procuring information and communications technology goods and services”. The SPP is mandated by section 19(3)(a) of the Financial and Performance Management Standard 2009.
Accordingly, Projects Queensland intends to develop a specific contractual framework for the GWN Project.

Section 59 of the Financial Accountability Act 2009 (the Act) states that "the Treasurer may, wholly or partly, exempt a department or statutory body from complying with a financial and performance management standard. The exemption must be in writing and state the day the exemption ends or the day by which the Treasurer must review the exemption to decide whether it is appropriate for the exemption to continue. Before granting the exemption, the Treasurer must consult with the Auditor-General and, to the extent the proposed exemption relates to planning or performance management, the Premier".

I support the view that the GITC Framework is not appropriate for the GWN Project and advise that I propose to grant an exemption under section 59 of the Act from the requirement to apply the GITC Framework. A draft of the proposed exemption is attached.

As the exemption must apply throughout the term of the GWN contract, I propose that the exemption contain a compulsory review date of 30 June 2023 to decide whether it is appropriate for the exemption to continue.

For the avoidance of doubt, I propose that the exemption will apply to Queensland Treasury and Trade (the agency conducting the procurement process), the Department of Science, Information Technology, Innovation and the Arts (the agency proposed to be the State’s contracting entity), and any other budget sector agency, Government Owned Corporation or Special Purpose Vehicle which may enter into any contract for the purposes of the GWN Project. It is also important to note that the exemption will apply only to the GWN Project.

This letter formalises the consultation process required by section 59 of the Act in relation to the exemption process. I understand that Projects Queensland has already held officer-level discussions with Mr Michael Booth, Assistant Auditor-General, and several of his officers in relation to this matter.

As you may be aware, the timelines associated with the GWN Project are very tight. This is due to the requirement for the first stage of the project, which will provide radio communications for the G20 Leaders Summit in 2014, to be operational well in advance of the G20 meetings. Accordingly, your urgent consideration of this matter, particularly if you have any objection to the exemption being granted, will be greatly appreciated to enable drafting of the complex contractual arrangements to commence as soon as possible.
Thank you for your consideration of this matter. Should you or your officers have any queries or issues you wish to raise, please contact Ms Mary-Anne Curtis, Project Director, Projects Queensland, on 3035 1856 or by email at mary-anne.curtis@projectsqueensland.qld.gov.au.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
DRAFT
Queensland

Financial Accountability Act 2009

Section 59

Partial exemption from complying with financial and performance management standard

Exemption from the requirements of the Government Information Technology Contracting Framework

I, Timothy Nicholls MP, Treasurer and Minister for Trade,

exempt the following entities and their successors from compliance with section 19(3) of the Financial and Performance Management Standard 2009 (the "Standard") to the extent that:

(a) the Standard requires compliance by any of those entities with clause 13 of the State Procurement Policy (the "SPP"); and

(b) the SPP requires any of those entities to use the Government Information Technology Contracting Framework ("GITC") in relation to the procurement of the Government Wireless Network Project, including entering into of any contract (or amendment, extension or substitution of any contract) for the purposes of the Government Wireless Network Project:

- Queensland Treasury and Trade;
- the Department of Science, Information Technology, Innovation and the Arts; and
- any budget sector agency, Government Owned Corporation, statutory body or Special Purpose Vehicle (as each are defined in the SPP) which may enter into any contract (or amendment, extension or substitution of any contract) for the purposes of the Government Wireless Network Project.

This partial exemption must be reviewed by the Treasurer on or after 30 June 2023 to decide whether it is appropriate for the exemption to continue.

This partial exemption is granted pursuant to section 59 of the Financial Accountability Act 2009.

______________________________

Timothy Nicholls MP

Treasurer and Minister for Trade

Signed on the _____________ day of _____________ 2012
Background

A. Section 57 of the *Financial Accountability Act 2009* (Qld) requires that Departments and Statutory Bodies comply with the *Financial and Performance Management Standard (FPMS)*.

B. Section 19 of the FPMS requires that Departments and Statutory Bodies comply with the *State Procurement Policy (SPP)*.

C. Clause 13 of the SPP requires that Budget sector agencies use the *Government Information Technology Contracting Framework (GITC)* when procuring information and communication technology goods and services.

D. Section 59 of the *Financial Accountability Act 2009* (Qld) provides for the Treasurer to give exemption from the requirements of the FPMS, as follows:

Excerpts from the *Financial Accountability Act 2009* (Qld)

57  **Financial and performance management standards**

1. The Treasurer may make standards about the policies and principles to be observed in financial and performance management.

2. If the Treasurer considers it appropriate, a financial and performance management standard may include a commentary about the operation of a provision of a standard.

3. If the standard includes a commentary about the operation of a provision—
   (a) the commentary is not part of the standard; and
   (b) the commentary is not meant to be exhaustive; and
   (c) the commentary, the provision and the other provisions of the standard are to be read together but, if the commentary and the provision are inconsistent, the provision prevails.

4. Each accountable officer and statutory body must comply with the provisions of a standard that apply respectively to the officer and body.

5. A standard is subordinate legislation.

59  **Exemption from complying with the financial and performance management standard**

1. The Treasurer may, wholly or partly, exempt a department or statutory body from complying with a financial and performance management standard.

2. The exemption must—
   (a) be in writing; and
   (b) state—
      (i) the day the exemption ends; or
      (ii) the day by which the Treasurer must review the exemption to decide whether it is appropriate for the exemption to continue.

3. Before granting the exemption, the Treasurer must consult with the auditor-general and, to the extent the proposed exemption relates to planning or performance management, the Premier.

4. The Treasurer may impose conditions on the exemption.

5. If the exemption relates to prescribed accounting standards, the department or statutory body must disclose the extent and financial implications of
noncompliance with the prescribed accounting standards in its annual financial statements.

(6) In this section—

*prescribed accounting standards* means the following documents published by the Australian Accounting Standards Board—

(a) Australian Accounting Standards;
(b) Statements of Accounting Concepts;
(c) Interpretations;
(d) Framework for the Preparation and Presentation of Financial Statements

*Note*—The documents mentioned in the definition *prescribed accounting standards* are available on the website of the Australian Accounting Standards Board at <www.aasb.com.au>.

Schedule 3 Dictionary

*Financial and performance management standard* means a standard made under section 57.
BRIEFING NOTE

FROM | Treasury and Trade
FOR | Treasurer and Minister for Trade
SUBJECT | GWN Project – Approval of exemption from requirement to apply GITC Framework

| Contact Officer: Craig Smith, Projects Queensland, 3035 1836 | Record No: TRY-02581 | Date: 4 December 2012
| Requested by: NIA | Date Approval Required By: 14 December 2012

PURPOSE

1. The purpose of this submission is to seek:
   - your approval that the Government Wireless Network (GWN) Project be exempted from the requirement to apply the Government Information Technology Contracting (GITC) Framework; and
   - your signature on the attached partial exemption.

BACKGROUND

2. Section 13 of the State Procurement Policy (SPP) requires that “Budget sector agencies and statutory bodies must use the GITC Framework when procuring information and communications technology (ICT) goods and services”. The SPP is mandated by section 19(3)(a) of the Financial and Performance Management Standard 2009.

3. Section 59 of the Financial Accountability Act 2009 provides that the Treasurer may wholly or partly exempt a department or statutory body from complying with the financial and performance management standard. The section also requires that you consult with the Auditor-General prior to granting any exemption from complying with the financial and performance management standard.

4. 

Sch. 3(7)

5. 

Sch. 3(2)(1)(b)

6. Queensland Treasury and Trade (QTT) previously briefed you (TRY-02223 refers) regarding this proposed exemption and the requirement to consult with the Auditor-General. You approved that the GITC is not appropriate for the GWN Project on 1 November 2012 and subsequently wrote to the Auditor-General, indicating your intention to grant the partial exemption.

7. The Auditor-General responded to your letter on 8 November 2012, which ensures that the legislative consultation requirement has been satisfied. Accordingly, your formal endorsement of the partial exemption (attached) is now sought.
ISSUES

8. A copy of the Auditor-General’s response to your letter is attached for your reference.

9. The Auditor-General states that the “reasons proposed for the exemption based on your legal advice provided by Allens are acknowledged and supported” but that “it remains appropriate for [GITC] concepts and principles to be reflected in the specific contractual framework to be developed by Projects Queensland”. In this regard, it has always been the intention of Projects Queensland that, where appropriate, GITC principles will be used as the foundation of the GWN contractual arrangements.

10. The Auditor-General raised two specific issues in relation to the proposed exemption. The first issue relates to a statement in the draft exemption that it should be reviewed “on or after 30 June 2023”. The Auditor-General was concerned that this diluted the intent of section 59 and recommended that the proposed exemption should be reviewed “by 30 June 2023”. Projects Queensland has no objection to this approach.

11. The second issue relates to a suggestion by the Auditor-General that the Government “may also wish to consider using any pricing reset provisions written into contracts, or material changes to contracts requested by the contractor and agreed with the Government, as a trigger for a review of the exemption”.

Accordingly, this suggestion has not been included in the final version of the exemption. No concerns were raised about this approach when the issue was discussed at officer level with the Queensland Audit Office.

13. The proposed exemption is considered partial, as it relates only to the GWN Project. Queensland Treasury and Trade will still be required to comply with the GITC Framework for all other ICT projects.

14. With all requirements of section 59 now satisfied, Projects Queensland recommends that you sign the partial exemption. This will allow Projects Queensland and Allens to proceed on the basis of a tailored contract which addresses the specific characteristics of the GWN Project.
RECOMMENDATION

15. That you sign the attached partial exemption, approving that the Government Wireless Network (GWN) Project be exempted from the requirement to apply the Government Information Technology Contracting (GITC) Framework.

Helen Gluer
Under Treasurer

Date / /

☐ Approved
Treasurer and Minister for Trade

☐ Not approved
Comments

☐ Noted

Tim Nicholls
Treasurer and Minister for Trade

/ /
Queensland

Financial Accountability Act 2009

Section 59

Partial exemption from complying with financial and performance management standard

Exemption from the requirements of the Government Information Technology Contracting Framework

I, Timothy Nicholls MP, Treasurer and Minister for Trade,
exempt the following entities and their successors from compliance with section 19(3) of the Financial and Performance Management Standard 2009 (the "Standard") to the extent that:

(a) the Standard requires compliance by any of those entities with clause 13 of the State Procurement Policy (the "SPP"); and

(b) the SPP requires any of those entities to use the Government Information Technology Contracting Framework ("GITC") in relation to the procurement of the Government Wireless Network Project, including entering into of any contract (or amendment, extension or substitution of any contract) for the purposes of the Government Wireless Network Project:

- Queensland Treasury and Trade;
- the Department of Science, Information Technology, Innovation and the Arts; and
- any budget sector agency, Government Owned Corporation, statutory body or Special Purpose Vehicle (as each are defined in the SPP) which may enter into any contract (or amendment, extension or substitution of any contract) for the purposes of the Government Wireless Network Project.

This partial exemption must be reviewed by the Treasurer by no later than 30 June 2023 to decide whether it is appropriate for the exemption to continue.

This partial exemption is granted pursuant to section 59 of the Financial Accountability Act 2009.

______________________________
Timothy Nicholls MP
Treasurer and Minister for Trade

Signed on the ____________ day of ____________ 2012
Background

A. Section 57 of the *Financial Accountability Act 2009* (Qld) requires that Departments and Statutory Bodies comply with the *Financial and Performance Management Standard* (FPMS).

B. Section 19 of the FPMS requires that Departments and Statutory Bodies comply with the *State Procurement Policy* (SPP).

C. Clause 13 of the SPP requires that Budget sector agencies use the *Government Information Technology Contracting Framework* (GITC) when procuring information and communication technology goods and services.

D. Section 59 of the *Financial Accountability Act 2009* (Qld) provides for the Treasurer to give exemption from the requirements of the FPMS, as follows:

Excerpts from the *Financial Accountability Act 2009* (Qld)

57  **Financial and performance management standards**

(1) The Treasurer may make standards about the policies and principles to be observed in financial and performance management.

(2) If the Treasurer considers it appropriate, a financial and performance management standard may include a commentary about the operation of a provision of a standard.

(3) If the standard includes a commentary about the operation of a provision—
   (a) the commentary is not part of the standard; and
   (b) the commentary is not meant to be exhaustive; and
   (c) the commentary, the provision and the other provisions of the standard are to be read together but, if the commentary and the provision are inconsistent, the provision prevails.

(4) Each accountable officer and statutory body must comply with the provisions of a standard that apply respectively to the officer and body.

(5) A standard is subordinate legislation.

59  **Exemption from complying with the financial and performance management standard**

(1) The Treasurer may, wholly or partly, exempt a department or statutory body from complying with a financial and performance management standard.

(2) The exemption must—
   (a) be in writing; and
   (b) state—
      (i) the day the exemption ends; or
      (ii) the day by which the Treasurer must review the exemption to decide whether it is appropriate for the exemption to continue.

(3) Before granting the exemption, the Treasurer must consult with the auditor-general and, to the extent the proposed exemption relates to planning or performance management, the Premier.

(4) The Treasurer may impose conditions on the exemption.

(5) If the exemption relates to prescribed accounting standards, the department or statutory body must disclose the extent and financial implications of
noncompliance with the prescribed accounting standards in its annual financial statements.

(6) In this section—

**prescribed accounting standards** means the following documents published by the Australian Accounting Standards Board—

(a) Australian Accounting Standards;
(b) Statements of Accounting Concepts;
(c) Interpretations;
(d) Framework for the Preparation and Presentation of Financial Statements

**Note**—


**Schedule 3 Dictionary**

**Financial and performance management standard** means a standard made under section 57.
Mr Michael Booth 3149 6100
8 November 2012

The Honourable Tim Nicholls, MP
Treasurer and Minister for Trade
Level 9, Executive Building
100 George St
BRISBANE QLD 4001

Dear Mr Nicholls

Government Wireless Network Project

Thank you for your letter dated 2 November 2012 seeking my comments on your proposal to exempt the Government Wireless Network (GWN) Project from the legislative requirement to use the Government Information Technology Contracting (GITC) Framework.

The Government's objective to enter into contractual arrangements with a private sector provider, who will design, build, finance, operate and maintain the GWN under a managed service arrangement with a State entity is noted.

The reasons proposed for the exemption based on your legal advice provided by Allens are acknowledged and supported.

The broad concepts and underlying principles in the GITC Framework are designed to support good governance, accountability and value for money. For these reasons it remains appropriate for these concepts and principles to be reflected in the specific contractual framework to be developed by Projects Queensland. This approach is consistent with the advice of Allens which note that the new contract should 'nevertheless draw upon favourable provisions and/or concepts contained within the standard GITC'.

Relevant provisions would include but not be limited to:

- the right to conduct a financial due diligence of tendering companies
- the requirement for contractors to keep appropriate accounts and records
- the right to allow the customer (the Government) access to contractor's sites to conduct audits; and
- the right to audit invoices from the contractor to the customer.

Section 59(2) (b) of the Financial Accountability Act 2009 requires the date the exemption ends, or the date the exemption must be reviewed by the Treasurer, to be included in the exemption. Your proposed exemption requires you to review the exemption on or after 30 June 2023. I have concerns that this dilutes the intention of the section, which is to ensure proper accountability and safeguarding the State's investment into the project.
To comply with the requirement of the Act, I recommend that the proposed exemption should be reviewed by 30 June 2023. You may also wish to consider using any pricing reset provisions written into contracts, or material changes to contracts requested by the contractor and agreed by the Government, as a trigger for a review of the exemption.

I support the proposed exemption on this basis.

If you would like to discuss this matter further, please contact me or have one of your officers contact Mr Michael Booth, Assistant Auditor-General, on 3149 6100.

Yours sincerely,

Andrew Greaves
Auditor-General
BRIEFING NOTE

FROM: Treasury and Trade
FOR: Treasurer and Minister for Trade
SUBJECT: Negotiations with Santos GLNG regarding Transmission line to NW Surat

Contact Officer: Jason Wehart, PO, 303 51834
Record No: TRY-02810
Requested by: Gerard Benedet
Date Approval Required By: 7 / 12 / 2012

PURPOSE

1. The purpose of this submission is to seek your approval of an option from Santos GLNG that will include for the planned transmission line to the north-west Surat and that Powerlink is to finalise detailed negotiations and documentation for the project on this basis.

BACKGROUND

2. Santos GLNG, Powerlink and the State have been in protracted negotiations for construction and operation of an unregulated electricity transmission line connection to the proposed GLNG facilities in the north west Surat region. Agreement has not been reached on a basis for Powerlink’s participation in the project within the context of

3. You attended a meeting with Mr David Knox, Chief Executive Officer and Managing Director of Santos Limited on 22 November 2012 to discuss proposed arrangements and agree a way forward. The results of the agreement understood to have been reached in this meeting were communicated to Santos on 23 November (Attachment 1). Santos responded to this letter on 28 November (Attachment 2).

4. The terms outlined in Santos’ letter

ISSUES

5. 

6. 

7. 

8. Options: In this context, the options now available to Government are outlined below:

a)
9. Further to Project Queensland’s verbal briefing of the Treasurer on 4 December 2012, the Head of Projects Queensland contacted Mr Andrew Hackwood, General Manager, Commercial Upstream, Santos GLNG Project to further clarify why the position conveyed at the meeting of 22 November had changed.

10. Offered. Equally, this transmission line is essential for delivery of their overall project and, taking assertions in previous correspondence on face value, it is on the critical path for ‘first gas’, imposing potentially significant costs/loss of income from deferral. Equally, the State is disadvantaged from any deferral of royalty income. In this context, seeking to quickly reach agreement is important to both parties.

RECOMMENDATION

11. 

12. That Projects Queensland advises Powerlink to negotiate on this basis.
2. 5 NOV 2012

Mr Andrew Hackwood
General Manager, Upstream Commercial
Santos GLNG Project
Level 24, 215 Adelaide Street
BRISBANE QLD 4000

Dear Andrew

GLNG NW Surat Customer Connection Project – Proposed Financial Contribution by GLNG

I refer to your recent meeting with the Honourable Tim Nicholls MP, Treasurer of Queensland and Minister for Trade, Mr David Knox, Chief Executive Officer and Managing Director, Santos Limited and other representatives from Santos GLNG and the Queensland government, including yourself, in relation to the above matter.

Can you confirm in writing that GLNG will proceed on this basis.

Yours sincerely

Dave Stewart
Executive Director, Projects Queensland
BRIEFING NOTE

<table>
<thead>
<tr>
<th>FROM</th>
<th>Treasury and Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOR</td>
<td>Treasurer and Minister for Trade</td>
</tr>
<tr>
<td>SUBJECT</td>
<td>GWN – EOI summary and shortlisted respondents</td>
</tr>
<tr>
<td>Contact Officer</td>
<td>Mary-Anne Curtis, Projects Queensland, 3035 1856</td>
</tr>
<tr>
<td>Record No.</td>
<td>TRY-02709</td>
</tr>
<tr>
<td>Date</td>
<td>10 December 2012</td>
</tr>
<tr>
<td>Requested by</td>
<td>N/A</td>
</tr>
<tr>
<td>Date Approval Required By</td>
<td>N/A</td>
</tr>
</tbody>
</table>

PURPOSE

1. The purpose of this brief is to:
   - advise you of the outcome of the evaluation of the Expression of Interest (EOI) Responses received in relation to the Government Wireless Network (GWN) Project; and
   - seek your approval of the shortlist of Respondents be invited to participate in the Exploratory Dialogue and Request for Binding Bid process and submit a Binding Bid.

BACKGROUND

2. The GWN EOI document was released on 22 October 2012 and EOI Responses were due to be submitted by 2pm, 19 November 2012. A total of five EOI Responses were received from the following parties:
   1. Broadcast Australia Infrastructure Group
   2. Kordia Solutions Pty Ltd
   3. Queensland Wireless Network Consortium
   4. Telstra Corporation Ltd
   5. Vicom Australia Pty Ltd

3. The EOI Evaluation Plan, which documented the process for evaluating the EOI Responses, was approved by the Under Treasurer on 15 November 2012.

4. The Evaluation Plan outlined a five member Evaluation Panel with representation from Projects Queensland (PQ), Department of Community Safety (DCS), Queensland Police Service (QPS) and Department of Science, Information Technology, Innovation and the Arts (DSITIA).

5. A Technical Advisory Panel (with representation from PQ, the GWN Project Technical Advisor, DCS, QPS and DSITIA), and a Commercial Advisory Panel (with representation from PQ, the GWN Project Commercial Advisor and the GWN Project Legal Advisor) were also formed to assist the Evaluation Panel in its evaluation of the EOI Responses.

ISSUES

6. The Evaluation Panel has completed its assessment of the EOI Responses in accordance with the pre-approved Evaluation Methodology. The outcomes of the evaluation are documented in the Evaluation Report (Attachment 1).
10. The GWN Project Steering Committee has noted the final Evaluation Report and the shortlisting recommendations.

11. The Probity Adviser oversaw the EOI Evaluation Process, and has confirmed that the process has been conducted appropriately.

12. Subject to your approval of the shortlist, Respondents will be formally notified of the outcomes of the EOI stage as soon as possible. It is anticipated that the Exploratory Dialogue Phase will commence on 17 December 2012.

RESULTS OF CONSULTATION

13. QPS, DCS and DSITIA were involved throughout the EOI evaluation process.

14. DPC, QGCIO, QPS, DCS and DSITIA are represented on the GWN Steering Committee, which has endorsed the Evaluation Report.
RECOMMENDATION

15. That you:

- note the outcome of the evaluation of the EOI Responses received in relation to the GWN Project; and

- approve the shortlist of Respondents to participate in the Exploratory Dialogue and Request for Binding Bid process.

Helen Gluer
Under Treasurer  Date  /

☐ Approved  Treasurer and Minister for Trade  ☐ Not approved  Comments  ☐ Noted

Tim Nicholls
Treasurer and Minister for Trade  /  /

<table>
<thead>
<tr>
<th>Name</th>
<th>*Action Officer/Author:</th>
<th>Director:</th>
<th>ED/AUT:</th>
<th>OUT:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leah Kelly</td>
<td>Mary-Anne Curtis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Branch/Division:</td>
<td>Projects Queensland</td>
<td>Projects Queensland</td>
<td>Projects Queensland</td>
<td></td>
</tr>
<tr>
<td>Telephone:</td>
<td>3035 1841</td>
<td>3035 1856</td>
<td>3035 1886</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td>19/12/2012</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* This officer may be required to provide further detailed information regarding the issue
TRY-02753

The Honourable Campbell Newman MP
Premier
PO Box 15185
CITY EAST QLD 4002

Dear Premier

In October 2012, I announced the commencement of the Expressions of Interest phase of the Government Wireless Network Project. Selection of a shortlist of bidders to proceed to the Exploratory Dialogue phase and Request for Binding Bid (RFBB) phase is expected to be completed shortly.

An early priority for the Project is to deliver the communications needs for the G20 Leaders’ Summit in 2014 and the Gold Coast Commonwealth Games in 2018. It is intended that the Project will then be rolled out progressively across the State.

Projects Queensland has established a dedicated project team to manage the procurement process and is committed to meeting the government’s procurement timeframes to select a private sector service provider who will undertake the Project, improving security, interoperability and functionality of public safety communications.

The target date for the implementation of the first stage of the Government Wireless Network is the G20 Leaders’ Summit in 2014 (with financial close for the procurement phase to occur in June 2013 and construction to commence immediately after). In order to meet this target date, it is important that the submission be considered by Cabinet as early as possible.
It is proposed that the submission seeking approval of the RFBB documentation be considered on 29 January 2013. This will allow adequate time for bidders to prepare detailed Binding Bids and for the state to undertake a robust evaluation process, to meet the procurement timeframes.

All state agencies that will have an ongoing role in the operational phase of the GWN are represented on the GWN Project Steering Committee. Projects Queensland is, and will continue to, undertake extensive consultation on the Project with relevant agencies, including with the Department of Premier and Cabinet.

Consultation on the RFBB documentation to be presented to Cabinet as part of the submission will be undertaken though the Steering Committee prior to lodgement of the submission. It is expected that the submission and RFBB documentation will be finalised in the week ending 18 January 2013.

As such I would ask that you approve the proposed method of lodgement of this submission.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
## BRIEFING NOTE

<table>
<thead>
<tr>
<th>FROM</th>
<th>Treasury and Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOR</td>
<td>Treasurer and Minister for Trade</td>
</tr>
<tr>
<td>SUBJECT</td>
<td>Port of Brisbane Freight Rail Access</td>
</tr>
</tbody>
</table>

**Contact Officer:** Melanie Madders, Projects Queensland  
**Record No:** TRY-02780  
**Date:** 14/12/2012  
**Requested by:** N/A  
**Date Approval Required By:**

### PURPOSE

1. The purpose of this submission is to provide an update on Port of Brisbane freight rail access development and note Queensland will form a working group with other relevant parties to provide input on Port of Brisbane Pty Ltd’s prefeasibility studies.

### BACKGROUND

2. The Port of Brisbane is one of Australia’s fastest growing container ports, and the sole port servicing South-East Queensland. Freight is transported to the port via road and rail networks.

3. The current rail freight line to the Port of Brisbane shares the same corridor as a number of metropolitan passenger rail services, which are given priority under the Transport Infrastructure Act 1994. This reduces the operational capacity of rail freight services, which are further constricted by the existing rail infrastructure.

4. Port of Brisbane Pty Ltd (PBPL) is advocating a partnership solution with the Queensland Government to investigate the development of a new dedicated freight rail access, which would bypass Brisbane metropolitan lines, and be privately financed through increasing coal exports from the southern Surat Basin.

### ISSUES

5. PBPL has briefed relevant Ministers and Directors-General about this project, as well as the Lord Mayor of Brisbane, other key elected representatives and the planning team of Brisbane City Council. Projects Queensland (PQ) was provided with a high level brief. PBPL has committed $1m to date on concept design work and is currently seeking PBPL Board approval to spend a further $3-5m on pre-feasibility work, to be completed by September 2013.

6. PBPL’s preliminary cost estimate to develop the required rail infrastructure is $800m. Initial PBPL analysis suggests that circa 10% of coal exports is required over a 30 year period to fund the majority of the project privately, and to the extent there is a funding shortfall, PBPL suggest the Commonwealth assist with the Toowoomba Range crossing.

7. PBPL’s briefing note to DPC dated 30 October 2012 (see attachment), details the potential benefits PBPL envisage from the development. The key benefits include:
   - A substantial increase in the number and capacity of freight movements to the Port of Brisbane while also freeing up additional capacity on the metropolitan network for increased passenger services;
   - A shift from road to rail and improved modal split for freight movements, this could reduce road congestion, inter-state truck movements and road-related carbon emissions and improve public safety outcomes;
Contributing to economic development by providing viable transport options for agricultural and coal exporters, particularly in the Surat Basin;

Implementing a plan for development of a freight rail corridor direct to market, that will build regional inter-modal hubs, and seek to future-proof against freight related congestion issues faced by other large cities globally;

Infrastructure Australia has identified dedicated interoperable rail freight access to the Port of Brisbane as a high priority in the National Land Freight Strategy (June 2012), under recommendation 6e.

8. PBPL has signalled an intention to prepare a submission to Infrastructure Australia and State Government upon completion of the pre-feasibility studies (by September 2013). Based on the briefing note provided and preliminary discussions with the PBPL project team, a number of key issues would require further examination. While not exhaustive, these include:

- The proposed rail corridor - PBPL initial review indicates that the project is technically feasible;
- Environmental and Planning issues – A comprehensive Environmental Impact Statement will be required to address matters such as noise, dust, and matters relating to flora and fauna;
- Regulatory/Competition/Legal and Operational Matters – State involvement in reviewing these requirements will be necessary;
- Demand analysis – to review the viability and longevity of the project, particularly in view of the Government’s plans for a second Tocumwal range crossing (rail vs road analysis);
- Coal forecasts – to review the funding proposal for the project and manage any funding issues arising should a funding shortfall exist;
- Technical specifications – consideration to be given to the tracks being dual-gauge, links with inter-state rail, freight rolling stock requirements, tunnelling etc.;
- Stakeholder management – a cohesive approach between the State and PBPL will be required to manage the process as the prefeasibility stage develops. It is our understanding that some references to the PBPL investigating a potential rail development have been made publicly.
RECOMMENDATION

9. That you:
   
   - note the Port of Brisbane's actions to investigate the pre-feasibility of dedicated rail freight access; and
   - that the relevant departmental teams (such as PQ, Department of the Premier and Cabinet and Department of Transport and Main Roads and DSDIP) form a working group with the PBPL project team to assess the proposal and provide input at the pre-feasibility stage to ensure the State's objectives and requirements are appropriately considered.

Helen Glaer
Under Treasurer  Date  /  /

☐ Approved  ☐ Not approved  ☐ Noted
Treasurer and Minister for Trade  Comments

Tim Nicholls
Treasurer and Minister for Trade  /  /
Port of Brisbane freight rail access briefing note

To: Peter Walsh, Director of Policy, Premiers Office
    Daniel Harris, Advisor, Premiers Office
From: Priscilla Radice, Manager Strategic Projects, Port of Brisbane Pty Ltd
Date: Tuesday 30 October 2012
Subject: Briefing note for meeting, Thursday 1 November

Background

The Port of Brisbane is one of Australia’s fastest growing container ports, and Queensland’s dominant port, as the sole port servicing South-East Queensland (c. 3.5 million population). Managed and developed by the Port of Brisbane Pty Ltd (PBPL), under a 99-year lease from the Queensland Government, the owners are comprised of Global Infrastructure Partners; Industry Funds Management; QIC Global Infrastructure on behalf of its managed funds; and Tawreed Investments Ltd, a wholly-owned subsidiary of the Abu Dhabi Investment Authority.

The Port is an economic engine for the State; the value of trade through the Port is worth approximately $50 billion annually. Trade relies on an efficient, well functioning port, especially for our exporters who must have reliable and affordable access to their markets to remain competitive.

The Port of Brisbane is a world class infrastructure asset and the focal port for international trade in Queensland and northern New South Wales. The creation of Fisherman Islands in the mid-1970s was a visionary project, which has provided Brisbane with a strong strategic advantage over other capital cities in Australia.

Great foresight has been shown in the establishment of the Port removed from the central city in a location that allows significant expansion to accommodate future trade growth. Sustainable landside and waterfront port access is, however, critical to realising the mutual benefits for the city and port that this separation brings. Without planning and developing appropriate freight corridors, the vision is wasted, as road congestion from freight traffic will prevent the efficient transport of goods between the port and its hinterland.

The most critical aspect to managing access and freight movements sustainably is to ensure an appropriate modal split between road and rail.

1. Current situation

It is inconceivable for a port of this magnitude in a modern capital city, that the current rail freight line to the Port shares the same corridor as a number of Brisbane’s metropolitan passenger rail services; with priority given to passenger trains under the Transport Infrastructure Act 1994. This results in a reduction in operational capacity of freight rail access through inefficiencies and also forces the majority of freight movements to the port onto road, with the majority of rail movements that can occur being moved onto night time paths. The government has been reluctant to contract long term rail path access for freight as it may impact on passenger capacity. There has therefore been a declining number of effective freight paths due to conflict with the increasing number and frequency of passenger services.

The potential to grow rail freight using the existing line is also severely constricted due to rail infrastructure including:

- severely limited tonnages at 15.75 tonne axle weight (26.5t is a normal freight tonnage line)
- 650m length of train (compared to 1500m intermodal 2000m bulk for a normal freight line)
height of Toowoomba Range tunnels limiting high cube containers (fastest growing proportion of the container market, particularly for the agricultural sector).

These limiting capacity issues result in an inefficient network that cannot compete with road and the positioning of the oldest and therefore loudest and most polluting trains on this network.

Rail infrastructure on the current system can be upgraded, however the ability to fund these upgrades through freight is restricted due to the limited network capacity that can be generated while sharing the line with passenger services. In addition, the inner-city nature of the network makes pushing through large freight volumes problematic for the community and the ability for the city to create transit oriented developments along the rail corridor is severely limited (for example the Milton proposal).

To find a solution PBPL is currently establishing “proof of concept” for a new dedicated freight rail corridor removed from the Metro network.

2. The need

COAG has highlighted that congestion in Australian cities will cost $20b by 2020.

South-East Queensland is a modern, dynamic region which is fortunate to be served by what is widely regarded as Australia’s highest quality port infrastructure. However, given the current rail restrictions, all incremental freight traffic moving through the port will do so by road. This is archaic by global standards and files completely in the face of modern logistics system design which seeks to move as much traffic as possible to intermodal solutions such as rail or coastal shipping. By 2041, it is forecast the port will be handling approximately 4.5 million containers, resulting in more than 22 million truck movements. These 22 million truck moments are for container traffic only which is by volume around 1/3 of the port’s trade.

This is not a just a problem for the port. This is about future proofing freight movements for South East Queensland and ensuring this region can develop without having to experience the major freight related congestion issues faced by so many other large cities globally (including Sydney).

Australian capital cities are located where ports could be established at the time of settlement; the relationship is symbiotic if managed appropriately and freight corridors are preserved. This has not happened in Australia and therefore cities and ports are increasingly in conflict as people compete with freight for space.

Transport investment unlocks economic productivity of cities and regions. Density leads to productivity through the flow of innovations and the acceleration of human capital. To enable this correlation investment in transport is critical; the flow of ideas requires a flow of people and true transport oriented development along railway lines are a proven factor. Failure to invest leads to congestion negating the productivity benefits of density, ultimately leading business to go elsewhere and reducing liveability for residents.

The development of a dedicated freight line releases passenger capacity and makes the facilitation of transit orientated developments more attractive to developers and residents with freight removed. It enables trade growth through Port to reach its long-term potential and continue driving economic outputs and ensuring exporters have market access, without reducing the liveability and functionality of the city due to congestion.

Rolling upgrades of road infrastructure alone are not able to provide a long term solution for South East Queensland’s freight transport challenges due to the:

- long term inability of the road system to continual absorb exponential freight growth without serious congestion
- continual rolling capital costs involved
- negative environmental impacts of road transport
- increased overall logistics costs associated with road usage (particularly when the true cost of road usage is factored in)
- escalating crash and fatalities rates due to increasing number of heavy freight trucks on the road
limited opportunities to develop intermodal hubs - proper rail access is required for this concept to work
A long-term solution for freight rail access to the Port of Brisbane needs to be planned and implemented well before these issues arise.

This is not an "if" scenario. Failing to act will ultimately cost Queensland dearly.
The National Ports Strategy and National Land Freight Strategy clearly indicate Australian ports and cities must follow global transport trends and cooperatively, but separately, plan for both freight and passenger needs through the integration of land use and transport planning, and encouraging private investment models to achieve these aims.

A key element of this is matching typical global capital city modal share splits. Sydney’s container rail freight target is 28% and Melbourne’s is 30%. These State’s lacked the foresight to plan for the inevitable growth in container traffic (which is pegged to population growth) leading to serious congestion issues that the road networks in these cities can no longer absorb. For these cities retrofitting rail and road solutions is proving incredibly expensive, technically and politically difficult, and in some cases cost prohibitive.

Brisbane’s intermodal rail modal share is currently less than 5% and reducing.

Infrastructure Australia has recognised the critical importance of this project and the need for its progression in the recently released National Land Freight Strategy June 2012.

"Recommendation 6e – governments work towards proof of concept by progressing with industry the indicative program outlined in the discussion paper. High priorities ought to be: Consider dedicated interoperable rail freight access from the new freight generating areas to the Port of Brisbane”

3. The proposed solution

The Port of Brisbane is advocating a partnership solution with the Queensland government to investigate the development of new dedicated freight rail access, bypassing the Brisbane metro.

The following graphic highlights the proposed new dedicated freight network which involves:
A predominately privately funded solution can be achieved through increasing coal exports from the southern Surat Basin to direct fund the necessary new rail infrastructure. To be clear, coal is the only product capable of funding rail infrastructure of this nature in Queensland. Initial financial analysis suggests that around $15 billion is required over a 30 year period to fund the majority of the project privately. Once capital expenditure figures are narrowed during prefeasibility, if there is a balance to be funded by government it is considered viable the Commonwealth assist with the Toowoomba Range crossing.

After the rail line has been paid for coal can be scaled back to zero and Brisbane has a legacy infrastructure asset that benefits the whole south-east Queensland population base. With a dedicated freight rail network will be carried by a similar number of trains currently running through the Metro system to service 10mtpa.

To demonstrate that the proposed funding base is material, PBPL recently conducted a Coal Export Expressions of Interest process resulting in access requests for more than 100mtpa of exports by 2026. This is not, however, a coal story; this is about providing long term rail access for containers and agricultural products to and from the Port of Brisbane. Coal is simply the means by which the private sector will be able to fund the infrastructure.

Such an asset will provide the critical link for agricultural products from southern Queensland to access the port via an efficient rail service, thereby creating a more sustainable, efficient and cost effective route to market for the States critical agricultural sector.

The network would be common-user from first day of operation and allow for intermodal traffic to gradually switch to rail away from road, as supporting logistics such as regional intermodal hubs are established.

There is a very real opportunity for this project to "kick-start" inland rail and deliver true land bridging opportunities along the Eastern seaboard that will significantly reduce inter-state truck movements.

Leadership is needed at both industry and government levels to advance this visionary project – utilising our mineral wealth to create a legacy infrastructure project that will directly benefit the majority of the population of Queensland for the next 100 years plus.

Again, this is not about increasing coal exports, it is an innovative solution to funding social benefit infrastructure. There is need to secure long term agricultural and intermodal freight access which government and these industries cannot afford to fund – coal is simply the method by which private sector funds can be mobilised to pay for the asset.

There is a limited window of opportunity to undertake such a project given the continued urbanisation of the proposed corridor.

Coal market prices are in a period of price volatility, global demand is still strong, at the least we need to be planning and declaring corridors now to ensure we can act when the coal market rebounds, which it will.

In softer coal market this project is highly attractive for exporters because the Port of Brisbane can bring on coal capacity at the Port for far less capital expenditure than northern ports, the coal in the Clarence-Moreton and Surat Basin is relatively inexpensive to mine, they have not been exploited to date as they do
not have port access and the distance is far less than for northern ports making the overall mine to port logistics charge highly competitive.

In addition to this will be the container volume moving over from road traffic and a return to rail of agricultural volumes, which have moved from 80% rail to 14% rail over the last 10 years.

4. The key benefits

A well planned city – increasing the liveability standards for Queenslanders

A dedicated freight design means double the tonnage axle weight and length of train; this equates to less train numbers than on the current system at immediate start-up and ultimately around 20 trains a day to handle coal volumes up to 100B A lower than the existing criteria set for the road having a negligible impact and in some places reducing noise levels as the amelioration for the rail would lessen the road noise for residents.

Most importantly the track design and operational standards would ensure a negligible noise impact and zero coal dust impact. The current Western system is one of Queensland's oldest tracks; it has poor gradients and curvatures and receives old and loud profile locomotives and wagons. A new best practice dedicated line would remove these issues from the current line and not create them for the new line.

A preliminary noise study undertaken for the Eastern Freight Rail Bypass shows that the rail would operate 10dB (A) lower than the existing criteria set for the road having a negligible impact and in some places reducing noise levels as the amelioration for the rail would lessen the road noise for residents.

By removing the majority of rail freight from the passenger network, passenger train pathways are freed up. This creates more public transport capacity and also removes the freight based inhibitors to transit orientated developments (noise and dust that detract from sales and dangerous good safety profiles that raise development costs i.e. Milton that reduce project viability).

Congestion relief through the integration of transport and land-use planning can ensure that freight has a viable alternative to road. By achieving a 30% mode shift onto rail around 3 million heavy vehicle kilometres are saved each year, more than 8 million vehicle travelling hours.

11r of diesel produces 2.644kg CO². By shifting 30% of intermodal freight onto rail savings of up to 300,000 tonnes of carbon per year by 2031 can be made.

Building the economy

The construction of this major infrastructure project will have a significant stimulation impact on the economy and generate employment in significant numbers; the scale of the development is considerable. It would be the largest rail project undertaken in Australia since Federation. There will be more than 400km of new and upgraded rail network. Surat Basin Rail is a $1 billion capex project 210km in length that estimates required labour of 57,000 person weeks completed by up to 1000 workers. It is reasonable to assume this project would more than double these figures.

Well planned rail freight access will widen South East Queensland's hinterland and help agricultural exporters especially in the darling Downs remain competitive by providing affordable exit capacity – this is a win-win project where mining provides tangible benefits to farming communities.

By delivering appropriate rail freight capacity the coal market dynamics in the Clarence-Moreton and Surat Basin change substantially and currently stranded coal deposits without exit capability become highly attractive potential mine sites, increasing royalties to the State. Most significant deposits are removed from Strategic Cropping Land.

The much touted Melbourne to Brisbane Inland Rail Route has failed to progress due to the high cost of crossing the Toowoomba Range and a lack of private funding means. This project has the potential to kick-start inland rail as it removes the major cost barrier by delivering the infrastructure from Toowoomba to the Port and makes the remaining relatively low-cost section more affordable to government and the intermodal industry. This will have significant savings to the inter-state road network. Currently the East-West dedicated freight line carries more than 80% of the freight task while the South-North rail network
carries less than 10%. 150 heavy vehicle class trucks convert to 1 train. Moving heavy freight truck traffic onto rail wherever possible is the direction that all major modern western cities are heading towards.

5. Stakeholder Engagement

PBPL has had ongoing briefings with a number of senior Directors General since the election and is seeking to provide an update about this strategic project. PBPL has briefed the Hon Jeff Seeney Deputy Premier (Minister for State Development, Infrastructure & Planning), the Hon Scott Emerson MP (Minister for Transport and Main Roads) and the Hon Ian Walker MP (Assistant Minister for Planning Reform).

Department of State Development and Infrastructure Planning including Projects Queensland are briefed regularly and have been provided with all detailed study information to date to undertake a Rapid Assessment in parallel as more detailed studies progress.

Lord Mayor of Brisbane Graham Quirk and other key elected representatives and the Senior Planning team of Brisbane City Council have also been briefed.

PBPL is managing the project to keep it out of the public domain until such a time that the investigations provide government with the certainty to act. Rowland have been appointed to proactively manage Community Stakeholder Engagement and Media planning so that all parties are proactively prepared.

6. Next steps

PBPL has committed close to $1million to date undertaking 'proof of concept' work. In December PBPL will be seeking Board ratification to spend another $3-5 million on prefeasibility.

The prefeasibility work will broadly cover:
- Refining Corridor alignments, design and costs
- Confirming the coal and non-coal demand and willingness to contract
- Economic impact
- Regulatory, competition, legal and operational matters
- Financial and ownership matters
- Planning and environmental matters
- Stakeholder engagement

Prefeasibility will be completed by September 2013.

PBPL wishes to work with the government in establishing prefeasibility and how to best manage presenting the project to the community at the most appropriate time, if the State supports private industry progressing with the project.

Priscilla Radice, Manager Strategic Projects Port of Brisbane Pty Ltd (PBPL)

Priscilla heads up the Strategic Project portfolio at PBPL, responsible for leading the key strategic project teams across the company divisions and representing the company externally to secure project support. Priscilla has been involved with strategic port management since 2002 in both Queensland and New South Wales.

Priscilla has been with PBPL since 2008 managing trade and marketing portfolios. Immediately prior, Priscilla worked for Newcastle Port Corporation in Senior Management with a diverse charter from marketing to project management. Before moving into port management full time, Priscilla consulted to a number of private and government entities in Western Australia and New South Wales on strategic marketing, destination development and place making while teaching casually at University of Newcastle and Murdoch University in marketing and the social sciences.
BRIEFING NOTE

FROM: Treasury and Trade
FOR: Treasurer and Minister for Trade
SUBJECT: 1 William Street – Selection of a Preferred Proponent

Contact Officer: Liam Gordon, Projects Queensland, 3035 1046
Record No: TRY-02620
Date: 20 / 12 / 12
Requested by: N/A
Date Approval Required By: 20 / 12 / 12

PURPOSE

1. The purpose of this brief is to:
   - seek your approval of Cbus as the preferred proponent for the 1 William Street commercial office tower development;
   - seek your approval for Projects Queensland to advise both Cbus and Grocon of the outcomes of the tender process; and
   - seek your approval for the State to enter into a Project Deed with the preferred proponent in relation to the 1 William Street development.

BACKGROUND

2. On 27 August 2012, Projects Queensland released the 1 William Street Request for Proposal documentation to the six shortlisted parties.


4. On 6 December 2012, following an Evaluation Panel meeting to consider the RFP responses received, a Best and Final Offer (BAFO) process with the two highest ranked proponents (Cbus and Grocon) was commenced with your approval (Briefing Note TRY-02682).

5.

6. The BAFO process closed at 12pm on 17 December 2012, at which time both proponents lodged BAFO submissions.

7.

ISSUES

8. The Evaluation Panel determined that while both proposals had a number of strengths and represented value for money for the State, Cbus' offering was the strongest of the two.

9.

RTI Document No.988
10. On this basis, the Evaluation Panel has recommended that Cbus be appointed the preferred Proponent for the 1 William Street commercial office tower development.

11. Jones Lang LaSalle, property and commercial advisor to the project for the State, has confirmed the transaction as agreed with the preferred proponent is commercially competitive compared to market and represents value for money for the State (Attachment A).

12. Clayton Utz, legal advisor to the project for the State, has confirmed that the transaction as documented in the form agreed between the State and the preferred proponent represents an allocation of risk reasonable for a project of this type and complexity. Further, the transaction documents which have been signed by the preferred proponent, are capable of acceptance by the State (Attachment B).

13. The entire evaluation process has been undertaken consistent with the pre-approved evaluation methodology and has been oversighted by the probity advisor. The probity advisor has endorsed the recommendation of the evaluation panel and the report of the evaluation panel is attached (Attachment C). In addition, the Probity Advisor’s Report in relation to the project has been issued (Attachment D).

14. An external announcement of the preferred proponent is planned for Friday, 21 December 2012.

15. It is also recommended that Projects Queensland, prior to the external announcement, advise Grocon that they have been unsuccessful in the process. This is in recognition of their significant efforts and investment in the process and to avoid Grocon being made aware indirectly that they have not been successful.

16. It is recommended that the Director-General of the Department of Housing and Public Works (DHPW) execute, for and on behalf of the State, the final Transaction Documents (and any ancillary documents).

17. Following settlement of the transaction, Projects Queensland will then be responsible for the ongoing delivery of the development through to completion. Updates on the progress of the project will be provided to you in due course during the construction phase.
RECOMMENDATION

18. It is recommended that you:

- approve the Evaluation Panel's recommendation that Cbus be appointed the preferred Proponent for the 1 William Street commercial office tower development.

- approve Projects Queensland advising both proponents of the outcome of the 1 William Street process.

- approve DHPW enter into a Project Deed with the preferred proponent in relation to the 1 William Street development.

- note that Projects Queensland will now proceed with delivery of the construction phase of the development in conjunction with the preferred proponent.

<table>
<thead>
<tr>
<th>Helen Gluer</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Treasurer</td>
<td>/ /</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Approved</th>
<th>Not approved</th>
<th>Noted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer and Minister for Trade</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tim Nicholls</td>
<td>Treasurer and Minister for Trade</td>
<td>/ /</td>
</tr>
</tbody>
</table>

*This officer may be required to provide further detailed information regarding the issue*
20 December 2012

Mr Paul Krautz
Transaction Manager
Projects Queensland
Queensland Treasury and Trade
Level 6, Executive Building
100 George Street
BRISBANE QLD 4000

Dear Paul,

CBUS BEST AND FINAL OFFER – 1 WILLIAM STREET

Further to our detailed analysis of the Cbus best and final offer for the 1 William Street we confirm the offer provides a very competitive rental (at the lowest end of the range) compared to other developments in the Brisbane CBD, an excellent incentive to the State and a below market rent review pattern.

The sub-lease is occupier friendly and has several clauses such as step in rights and the right to offset rents that will be of great commercial benefit to the State.

I confirm our opinion that the offer certainly provides value for money for the State.

Yours sincerely

JONES LANG LaSALLE

Michael Greene
Regional Director
Corporate Solutions
1 WILLIAM STREET
Commercial Office Tower
Development and Investment Opportunity

EVALUATION REPORT

Request for Proposal
Best and Final Offer

18 December 2012
1 Introduction and Background

The State is seeking a Proponent to develop a commercial office tower at 1 William Street and sublease to the State between 60,000sqm and 75,000sqm of office space.

An Expression of Interest Invitation (EOI) was released on 7 August 2012 to registrants from the Registration of Interest, and published on the Queensland Treasury and Trade website. Responses to the EOI closed on 27 August 2012.

A short list of six Proponents was announced on 24 September 2012 after evaluation of the EOI responses by the Evaluation Panel.

Request for Proposal (RFP) documentation was released to the short listed Proponents on 27 September 2012. RFP responses (Proposals) were due on 21 November 2012.

On 6 December 2012, following an Evaluation Panel meeting considering the Proposals received, a Best and Final Offer (BAFO) process with the two highest ranked Proponents was commenced (see Evaluation Report attached as Attachment B). Responses to the BAFO process were due on 17 December 2012.

Evaluation Panel

The State established an RFP Evaluation Panel to evaluate Proposals. The Evaluation Panel is responsible for evaluating Proposals (including BAFO submissions) and submitting recommendations to the Under Treasurer and Treasurer. The Evaluation Panel comprises:

- Liam Gordon – Chair & Project Director, Queensland Treasury and Trade – Projects Queensland
- Paul Krautz – Transaction Manager, Queensland Treasury and Trade – Projects Queensland
- Damien Walker – General Manager, Department of State Development, Infrastructure and Planning

As outlined in the Evaluation Plan, alternative members may be appointed by the Project Director from time to time, as the Project Director deems appropriate. No alternative members were appointed.

Advisors to the Panel

The Evaluation Panel was supported by the Project Team and the relevant advisory panels and Advisors as follows:

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Chair/Consultant</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Panel</td>
<td>Paul Krautz*</td>
<td>Projects Queensland</td>
</tr>
<tr>
<td>Commercial Panel</td>
<td>Michael Greene</td>
<td>JLL</td>
</tr>
<tr>
<td>Financial Panel</td>
<td>Paul Morris</td>
<td>KPMG</td>
</tr>
<tr>
<td>Legal Panel</td>
<td>Mark Mackay</td>
<td>Clayton Utz</td>
</tr>
<tr>
<td>Probity</td>
<td>Zoran Radosевич</td>
<td>BDO</td>
</tr>
<tr>
<td>Urban Planning</td>
<td>Rebecca Arnaud</td>
<td>BCC</td>
</tr>
</tbody>
</table>

* Malcolm Middleton, Government Architect was absent from the BAFO evaluation process and replaced with Paul Krautz at the direction of the Project Director.
Other specialist advisors – including architectural, engineering, and quantity surveying – also participated in the RFP evaluation process and assisted the Evaluation Panel.

2 Objectives of RFP Stage and subsequent BAFO process

The Evaluation Plan outlines the evaluation process and methodology for assessing Proposals during the RFP stage, including a BAFO process.

The RFP stage will determine:

(a) the preferred Proponent who will be recommended to enter into a Project Deed with the State to:
   - undertake and deliver the development of 1 William Street; and
   - sublease office space within that development to the State; or
(b) another way forward.

The BAFO process involved further clarification, negotiation and workshops with the two shortlisted Proponents on building, commercial, financial and legal aspects of their Proposals in order to provide feedback and assist Proponents refine their offering to the State in their respective Proposals.

3 Proposals Received

Cbus and Grocon were invited to participate in the BAFO process to determine a preferred Proponent for the 1 William Street commercial office tower development. (As part of its initial evaluation of Proposals on 6 December 2012, the Evaluation Panel determined that Lend Lease and Leighton Properties should not proceed to the BAFO process.)

A BAFO submission was received from both Proponents (Cbus and Grocon) by the deadline, being 12pm, Monday, 17 December 2012. The BAFO submissions were opened in the offices of Jones Lang LaSalle in the presence of the Probity Advisor, members of the Project Team and the Commercial Panel Advisor. The Probity Advisor confirmed that he was satisfied with the integrity of the process and nothing had been compromised.

4 Approach to Assessment of Proposals

The Deputy Under Treasurer approved the RFP Evaluation Plan on 20 November 2012. A copy of the plan is included as Attachment A.

5 Clarification of Proposals

The RFP Conditions reserve the State's right to seek clarification from any Proponent in relation to its Proposal and request additional information.

Where the Project Team and/or Advisors were of the view that further information was required on a particular matter raised in any Proposal in order to be able to make a fully informed assessment of the Proposal, further clarification on those matters was sought in writing from the Proponent.
Clarification was sought in a manner that:

- ensured that there was no disclosure to the Proponent as to how the Proposal was being assessed, either in relative or absolute terms; and
- discouraged the Proponent from seeking to enhance the original Proposal in providing the clarification.

6 Key Observations

Below is a summary of the key points from each BAFO submission:
7 Assessment of Proposals

As outlined in the Evaluation Plan (included as Attachment A), the following steps were followed in assessing the Proposals:

- **Step 1** – the Evaluation Panel assessed whether all information requirements were satisfied, and whether all information was received. A preliminary assessment was made of any non-conforming Proposals received based on their relative merits to determine whether they were consistent with the objectives of the State and the Evaluation Criteria. The evaluation or otherwise of non-conforming Proposals was entirely at the discretion of the State.

- **Step 2** – A detailed analysis of the information provided in each of the Proposals from the Proponents against each of the Evaluation Criteria was undertaken. A qualitative assessment approach was adopted in assessing Proposals that considered the relative merits of the respective Proposals. A five point scale was applied (High; Medium/High; Medium; Medium/Low; Low).

- **Step 3** – the Evaluation Panel made an overall assessment of each Proposal (bringing together the assessment against each Evaluation Criterion). In this regard, the Evaluation Panel made reasoned judgements as to the relative performance of each of the Proposals against the Evaluation Criteria as a whole. The Evaluation Panel then ranked the Proposals based on this overall assessment.

- **Step 4** – the Evaluation Panel then (based on the overall assessment and ranking from step 3) determined whether:
  - a preferred Proponent could be selected to be recommended to enter into a Project Deed with the State; or
  - to commence further clarification and negotiation on a selection of the Proposals on the basis that the selected Proposals justified further clarification and negotiation, and each Proposal, with such clarification and negotiation, would likely meet the State's objectives, and subsequent to that process enable a preferred Proponent to be recommended to enter into a Project Deed with the State.

**Advisor Reports**

To the extent that the BAFO submissions affected the assessment reports previously provided by the Advisors, an Addendum was made available to the Evaluation Panel as part of its evaluation preparation and meetings:

- Attachment C is an Addendum produced by the Building Advisory Panel Chair which provides a detailed analysis of each Proposal against Evaluation Criteria 1, 2 and 3.
- Attachment D is an Addendum produced by KPMG (Financial Advisory Panel Chair) which provides a detailed analysis of each Proposal against Evaluation Criteria 4.
- Attachment E is an Addendum produced by Jones Lang LaSalle (Commercial Advisory Panel Chair) which provides a detailed analysis of each Proposal against Evaluation Criteria 5.
Attachment F is an Addendum produced by Clayton Utz (Legal Advisory Panel Chair) which provides a detailed analysis of each Proposal against Evaluation Criteria 6.

Preliminary Assessment
As part of Step 1, the Proposals were reviewed and it was determined the information had broadly satisfied requirements. Where clarifications were required, these were issued to Proponents.

Non-conforming Proposals were also considered by the Evaluation Panel and the relevant advisors (Building, Financial, Commercial and Legal) based on their merit in offering significantly more than the conforming Proposals received. The conforming Proposals were considered as the primary focus for determining a preferred Proponent. For the purposes of evaluation, the non-confirming Proposals were not considered to provide materially better outcomes to the State in line with State objectives in comparison to Proponents’ conforming Proposals.

Qualitative Assessment
The table below shows a summary of the rating of each conforming Proposal against each evaluation criterion (as per Step 2).
7 Conclusion

The Evaluation Panel considered whether:

- To commence a further clarification and negotiation process, giving consideration to:
  - the quality of the BAFO submissions
  - minimising costs (for Government and Proponents);
  - providing sufficient competitive motivation to elicit competitive quality Proposals; and
  - minimising the risk of reduction or loss of competitive tension upon withdrawal of one or more Proponents.
- A preferred Proponent should be recommended to enter into a Project Deed with the State;
- To determine another way forward; or
- The State not proceed with any Proponent.

The Evaluation Panel considered that the Best and Final Offer (BAFO) process had provided adequate opportunity for and assistance to both Proponents to refine their offering to the State in their respective Proposals.

Although both Proposals represent a good value for money outcome for the State, there is a discernible difference in Cbus’ Proposal compared to Grocon’s Proposal.

Therefore, the Evaluation Panel determined that, in accordance with the Evaluation Plan, it was in a position to be able to and would proceed to recommend a preferred Proponent to enter into a Project Deed with the State.
8  Recommendations

Based on the above objectives and discussions, the Evaluation Panel:

(i)  Recommends that Cbus be appointed the preferred Proponent for the 1 William Street commercial office tower development; and

(ii) Notes that the Project Team will resolve final drafting issues in relation to the Transaction Documents.

Each member of the Evaluation Panel has read this Evaluation Report and concurs with the recommendations.

Panel member:  
Darien Winter  
Date 20/12/12

Panel member:  
Paul Krautz  
Date 20/12/2012

Panel member:  
Damien Walker  
Date 20/12/12

The Probity Advisor confirmed that he was satisfied with the integrity of the RFP Evaluation process and that it was conducted in a fair, competitive, consistent and transparent manner in accordance with the RFP Evaluation Plan.

Probity Advisor:  
Zoran Radosevic  
Date 20/12/12
Attachment A – Evaluation Plan
Commercial Office Tower Development and Investment Opportunity

1 William Street
RFP Evaluation Plan
Introduction

The State is seeking a Proponent to develop a commercial office tower at 1 William Street and sublease to the State between 60,000sqm and 75,000sqm of office space.

An Expression of Interest Invitation (EOI) was released on 7 August 2012 to registrants from the Registration of Interest, and published on the Queensland Treasury and Trade web site. Responses to the EOI closed on 27 August 2012.

A short list of six Proponents was announced on 24 September 2012 after evaluation of the EOI responses by the Evaluation Panel.

Request for Proposal (RFP) documentation was released to the short listed Proponents on 27 September 2012. The evaluation of RFP responses (Proposals) will be undertaken by the State within an established probity framework.

This document defines the evaluation process that the State will apply to the Proposals received during the RFP process, so as to determine the preferred Proponent who will be recommended to enter into a Project Deed with the State to:

- undertake and deliver the development of 1 William Street; and
- sublease office space within that development to the State.

Purpose of the Evaluation Plan

The purpose of the RFP Evaluation Plan is to:

- provide a process and methodology that will be applied to determine the preferred Proponent to be recommended;
- define the participants who will be involved in the evaluation process and their roles and responsibilities;
- ensure probity of the process; and
- ensure that the process is both objective and auditable.

RFP Objectives and Process

Shortlisted Proponents were requested to submit a conforming Proposal as set out in the RFP documentation. The State’s intent was to outline its core requirements in order that:

- these were addressed in any Proposal submitted; and
- these would provide a common baseline from which to make its assessment of Proposals.

Enhancements from shortlisted Proponents were also welcomed by the State in the form of a non-conforming Proposal.

The State is seeking a number of outcomes from the RFP process for the Project, including to:

- achieve a mixed use tenancy;
- ensure certainty regarding delivery and timeframes;
- minimise financing risk; and
- optimise both pricing and financing efficiency.
The State will have regard to these outcomes in evaluating Proposals.

The RFP process comprises:
- the release of the RFP documents;
- conducting individual information sessions with all Proponents;
- holding scheduled architectural/technical and legal/commercial workshops with all Proponents during the response period;
- the preparation and submission of Proposals by the Proponents;
- following submission of Proposals the Proponents are invited to present their Proposals to members of the Evaluation Panel, Building Advisory Panel, Legal Advisory Panel, Commercial Advisory Panel and Financial Advisory Panel. However, the presentations by the Proponents will not form part of the evaluation of the Proposals;
- an evaluation of the Proposals; and
- the selection of the preferred Proponent who will be recommended to enter into a Project Deed with the State or determination of another way forward (for example a best and final offer process).

Evaluation Approach

The purpose of the RFP process is to identify the preferred Proponent to be invited to enter into a Project Deed with the State or to determine another way forward. To determine a recommendation, the Evaluation Panel will assess Proposals based on the Proponents' responses against the Evaluation Criteria which are centred on:

- urban planning, and quality building and workplace design;
- capability and methodology of delivery;
- financial certainty and risk allocation;
- commercial and legal terms; and
- creativity and value add for the State.

Evaluation Steps

A summary of the evaluation process is provided below.

Step 1

The RFP outlines the Response Forms and Evaluation Criteria that will be used to assess Proposals and the information that Proponents are required to provide.

The Evaluation Panel will assess whether all information requirements have been satisfied, and whether all information, including a conforming Proposal, has been received. Requests for further information, within a defined time frame, may then be made to Proponents who have not submitted complete information.

If a Proposal is fundamentally unlikely to meet the State's objectives and the Evaluation Criteria, the Evaluation Panel may, at its discretion, put that Proposal aside so that no further assessment is required, regardless of whether it is a conforming or non-conforming Proposal.
Non-conforming Proposals

A preliminary assessment of any non-conforming Proposals received will be made based on their relative merits to determine whether they:

- warrant detailed evaluation; or
- do not meet the requirements of the State and will not progress further.

Non-conforming submissions will be assessed on whether they are consistent with the objectives of the State and the Evaluation Criteria. The evaluation or otherwise of non-conforming Proposals is entirely at the discretion of the State.

Step 2

Step two of the evaluation process is a detailed analysis of the information provided in each of the Proposals from the Proponents against each of the Evaluation Criteria. A qualitative assessment approach will be adopted in assessing Proposals that considers the relative merits of the respective Proposals.

The following five point scale will be applied.

- **High**: Very strong achievement of the criterion
- **Medium/High**: Strong achievement of the criterion
- **Medium**: Sound achievement of the criterion
- **Medium/Low**: Limited achievement of the criterion
- **Low**: Very limited or no achievement of the criterion

A single rating will be applied towards each Evaluation Criteria.

Step 3

In the third step of the evaluation process the Evaluation Panel makes an overall assessment of each Proposal (bringing together the assessment against each Evaluation Criterion).

In this regard, the Evaluation Panel will make reasoned judgements as to the relative performance of each of the Proposals against the Evaluation Criteria as a whole.

The Evaluation Panel will then rank the Proposals based on this overall assessment.

Step 4

The Evaluation Panel will then (based on the overall assessment and ranking from step 3) either:

- determine a preferred Proponent to recommend to enter into a Project Deed with the State;
- commence further clarification and negotiation on a selection of the Proposals if it is determined that:
  - the selected Proposals justify further clarification and negotiation; and
  - each Proposal, with such clarification and negotiation, would likely meet the State's objectives,

  and subsequent to this process recommend a preferred Proponent to enter into a Project Deed with the State;
- determine another way forward (for example a best and final offer process); or
- in the event that no offers are considered to represent value for money, recommend to Government that the State not proceed with any Proponent.
Evaluation Criteria

The following table lists the Evaluation Criteria used to assess the Proposals (as defined in the RFP documents). The Response Forms from the RFP documents, which provide the outline for information to support the assessment of Proposals against the Evaluation Criteria, are contained in Appendix 1.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building &amp; Urban Design</strong></td>
<td>The extent to which the building and urban design concepts provided by the Proponent meet the State's requirement for a &quot;landmark&quot; building.</td>
</tr>
<tr>
<td></td>
<td>The quality of the design and the extent to which it meets the State's criteria for activation of the Precinct.</td>
</tr>
<tr>
<td></td>
<td>The level of efficiency and effectiveness of the building and building services and the extent to which they meet the State's specification and design criteria.</td>
</tr>
<tr>
<td></td>
<td>The extent and significance of non-conformance with the Base Building Performance Brief.</td>
</tr>
<tr>
<td><strong>Workplace</strong></td>
<td>The concept provided by the Proponent displays functionality, efficiency and meets the State's requirements for creating an effective, connected workplace.</td>
</tr>
<tr>
<td></td>
<td>The demonstrated capacity and experience of the proposed workplace design consultant team.</td>
</tr>
<tr>
<td></td>
<td>The demonstrated ability of the Proponent and their team to work with the State and create the State's desired workplace.</td>
</tr>
<tr>
<td><strong>Capability &amp; Methodology</strong></td>
<td>The timeliness of the proposed construction programme.</td>
</tr>
<tr>
<td></td>
<td>The extent to which the Proponent demonstrates an ability to meet the proposed construction programme and the level of assurance that the Proponent can provide that the proposed construction programme will be achieved.</td>
</tr>
<tr>
<td></td>
<td>The demonstrated capacity and ability of the Proponent, their consortium and consultant team to deliver the Proposal.</td>
</tr>
<tr>
<td></td>
<td>The demonstrated ability of the Proponent and their team to work co-operatively and engage with the State and their team in a constructive way to achieve the stated outcomes.</td>
</tr>
<tr>
<td><strong>Financial Certainty &amp; Risk</strong></td>
<td>The extent to which the Proponent has clearly demonstrated their ability to fund the development and/or an ability to secure funding to ensure the Project will proceed to the</td>
</tr>
<tr>
<td><strong>Commercial Terms</strong></td>
<td>The extent to which the commercial terms provided by the Proponent meet the requirements of the State as outlined in the RFP and represent &quot;value for money&quot; for the State.</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Legal Documentation</strong></td>
<td>The extent and significance of non-conformance with the proposed Transaction Documents.</td>
</tr>
<tr>
<td><strong>Creativity &amp; Value Add</strong></td>
<td>The demonstrated ability of the Proponent to present new ideas and concepts that benefit the State and add value to the Project.</td>
</tr>
</tbody>
</table>

Formal, fixed weightings will not be applied to the Evaluation Criteria. Rather, responses against specific Evaluation Criteria will be individually assessed, with the Evaluation Panel to reach an informed, agreed view of the overall relative merits of Proposals against Evaluation Criteria. The Evaluation Panel will, among other things, have full regard to the information provided in the Proposals in evaluating whether, and to what extent, a Proposal addresses the Evaluation Criteria.
Evaluation Process and Roles

The members of the Evaluation Panel will individually and independently assess each Proposal. The Project Team, Commercial Advisory Panel, Building Advisory Panel, Legal Advisory Panel, Financial Advisory Panel and other specialist advisors will, independent of the members of the Evaluation Panel, make an assessment of relevant parts of the Proposals. These assessments will be provided, as advice, to the Evaluation Panel.

The Evaluation Panel will then meet to discuss the Proposals to arrive at a consensus view as to each Proposal’s level of satisfaction of the Evaluation Criteria. In reaching its view, the Evaluation Panel may, as it sees fit, seek clarifications and/or seek further advice from the Project Team, Advisory Panels or the specialist advisors.

The Evaluation Panel will then determine a preferred Proponent to recommend inviting to enter into a Project Deed with the State or determine another way forward.

The Project Team will prepare, for consideration by the Evaluation Panel, a single consolidated Evaluation Report reflecting the deliberations of the Evaluation Panel. The Evaluation Report will outline the assessment outcomes and provide a recommendation of a preferred Proponent to enter into a Project Deed with the State or recommend another way forward. The Project Team will finalise the Evaluation Report on instruction from the Evaluation Panel.

The final Evaluation Report, which must be endorsed by each member of the Evaluation Panel, will be submitted to the Under Treasurer for consideration. The Under Treasurer may seek whatever clarification deemed necessary to inform her consideration.

The Under Treasurer, once satisfied, will then authorise the preparation of a briefing note to the Treasurer seeking approval of the preferred Proponent or recommended alternative way forward.

Evaluation Documentation

The Evaluation Report will:

- ensure that the RFP evaluation process is appropriately documented; and
- provide a basis on which the Under Treasurer may make recommendations to the Treasurer.

The Evaluation Report will detail the agreed outcome of the evaluation of the Proposals by the Evaluation Panel.

The Evaluation Report will include:

- a summary of the key features of the Proposals received;
- the Evaluation Panel’s assessment of each Proposal against each of the Evaluation Criteria;
- a recommendation as to the preferred Proponent that should be invited to enter into a Project Deed with the State (this may be subject to some elements being clarified prior to the preferred Proponent entering into the Project Deed with the State) or a recommendation of another way forward; and
- any issues that need to be brought to the attention of State prior to the preferred Proponent entering into the Project Deed with the State.
Roles of Parties

The diagram below outlines the broad governance framework for the evaluation of Proposals:

![Diagram of Roles of Parties]

Evaluation Panel

The State has established a RFP Evaluation Panel to evaluate the Proposals. The Evaluation Panel comprises:

- Liam Gordon – Chair & Project Director – Queensland Treasury and Trade – Projects Queensland
- Paul Krautz – Transaction Manager – Queensland Treasury and Trade – Projects Queensland
- Damien Walker – General Manager – Department of State Development, Infrastructure and Planning

The Evaluation Panel will be the key body in the RFP evaluation process.

Alternative members may be appointed by the Project Director from time to time, as the Project Director deems appropriate.

The Evaluation Panel will undertake the following tasks:

- evaluate the Proposals;
- agree and endorse the Evaluation Report; and
- make recommendations to the Under Treasurer on the selection of a preferred Proponent to be invited to enter into a Project Deed with the State or another way forward.

The Evaluation Panel will be supported by the Project Team, Commercial Advisory Panel, Building Advisory Panel, Legal Advisory Panel, Financial Advisory Panel and other specialist advisors as required. The Evaluation Panel will also be supported by BDO as Probity Advisor, who will oversee and provide advice regarding the probity of the process as required.
Under Treasurer
The Under Treasurer’s role will be to make a recommendation of the preferred Proponent or another way forward to the Treasurer.

Treasurer
The Treasurer’s role will be to determine the preferred Proponent to be invited to enter into a Project Deed with the State or another way forward. The Treasurer will seek CBRC/Cabinet and Executive Council approvals as required.

Advisors
The Project Team’s advisors include:
- Property and Commercial Advisor – Jones Lang LaSalle (JLL)
- Legal Advisor – Clayton Utz
- Financial (Accounting & Tax) Advisor – KPMG
- Other specialist advisors, noting the following specialist consultants:
  - the Queensland Government Architect
  - Architectural Advisor – Shane Thompson Architects (STA)
  - Services Engineering Advisor – AECOM
  - Quantity Surveyor/Development Advisor – Rider Levett Bucknall (RLB)
  - Urban Planning – Brisbane City Council (BCC)

Advisory Panels
Four Advisory Panels have been formed to provide specific advice to the Evaluation Panel being:
1. Commercial Advisory Panel – chaired by JLL with input from KPMG, RLB, Clayton Utz and the Project Team;
2. Building Advisory Panel – chaired by the Queensland Government Architect with input from STA, AECOM, RLB, JLL, BCC and the Project Team;
3. Legal Advisory Panel – chaired by Clayton Utz with input from JLL and the Project Team; and
4. Financial Advisory Panel – chaired by KPMG with input from JLL, RLB and the Project Team.

The Advisory Panels are to provide specialist advice to the Project Team and Evaluation Panel during the RFP process and reports, in the prescribed form, to the Evaluation Panel in the evaluation process on the relevant Evaluation Criteria identifying key issues, considerations and recommended rating for the Evaluation Criteria, to ensure Proposals:
- contain all necessary information; and
- are in conformance with, or equivalent or better than, all requirements, and all matters requiring clarification have been attended to and relative comparisons can be made.

The Terms of Reference for each of the Advisory Panels are set out in Appendix 2.
Evaluation Process Guidelines

The following section provides the guidelines for all Evaluation Panel members to follow during the evaluation process.

Proposals

Proposals should be submitted in accordance with the instructions provided in the RFP documents.

Late Proposals may be accepted, unless the integrity of the process will be compromised by accepting a late Proposal. Where a late Proposal is received, the time and date of receipt shall be noted on the document and endorsed by the recipient.

The Project Director, in consultation with the Probity Advisor, will decide whether any Proposals that are received after the closing time will be assessed or instead deemed to be non-compliant with the RFP Conditions.

Probity

The State has engaged a Probity Advisor for the duration of this process. The Probity Advisor’s role in the procurement process will include:

- ensuring that the procedures adopted in the receipt and evaluation of Proposals are fair and equitable, to monitor the evaluation process and to provide independent validation of this to the State;
- providing guidance to the State as to how unforeseen probity issues can be resolved; and
- monitoring communications with the Proponents during the process.

The Probity Advisor is an independent observer of the evaluation process and will not be involved in the evaluation of any Proposal.

Confidentiality

All documents and information provided by Proponents will be stored securely and held in confidence, except to the extent that disclosure is required for audit or legal purposes, as required to be released under the Right to Information Act 2009 (Qld) and the Information Privacy Act 2009 (Qld) or any other legislative requirements (in accordance with the Queensland Government Privacy Scheme) or as required or envisaged by this RFP, including as part of the evaluation process.

Conflict of Interest

Any perceived, actual, or potential conflict of interest of an Evaluation Panel member must be disclosed by that Evaluation Panel member to the Panel Chair as soon as it becomes apparent.

Evaluation Panel members must adhere to the Conflict of Interest provision within the Probity Plan.
Communication with Proponents

Communication with Proponents is extremely important and the following points will be taken into consideration throughout the evaluation process.

All communications of significance should be documented and notes will need to be taken of all communications.

General contact with Proponents will be limited to the previously nominated contact being the State's Representative or JLL. Any communication in relation to RFP process and clarifications will be at the direction of the Project Team and/or Evaluation Panel.

All communications must be in accordance with the Probity Plan setting out rules for communications with Proponents.

Clarifications

Where the Project Team is of the view that it requires further information on a particular matter raised in an Proposal in order to be able to make a fully informed assessment, further clarification on that matter may be sought in writing from the Proponent (this may be particularly relevant for compliance requirements).

Clarification would be sought in a manner that:

- ensures that there is no disclosure to the Proponent as to how the Proposal is being assessed either in relative or absolute terms; and
- discourages the Proponent from seeking to enhance the original Proposal in providing the clarification.

Where the Evaluation Panel (in consultation with the Probity Advisor) is of the view that information provided by a Proponent in response to a clarification request represents an enhancement to the original Proposal:

- the Evaluation Panel will have no regard to that information in assessing the Proposal; and
- the Proponent will be advised accordingly.

Changes to Consortia

Should a Proponent seek approval for a change to its consortium entities after being shortlisted to progress to the RFP stage, it will be necessary to evaluate the new consortium against the Evaluation Criteria to determine if the new consortium satisfies the Evaluation Criteria to an extent that warrants shortlisting. Full details of the new consortium member's role in relation to the Proposal will be sought.
Depending on the new member's level of involvement in the offer, the Evaluation Panel may require that the Proponent substantially revise its EOI response or Proposal.

Any changes to consortia are subject to approval by the Under Treasurer.
Evaluation Methodology endorsed by:

Under Treasurer:

Date 20/11/12

Each member of the Evaluation Panel and the Probity Advisor has read and understood this Evaluation Methodology.

Liam Gordon:

Date 21/11/12

Paul Krautz:

Date 21/11/12

Damien Walker:

Date 21/11/2012

Zoran Radojevic (Probity Advisor):

Date 21/11/2012
Appendix 2 – Terms of Reference
1 WILLIAM STREET
Commercial Office Tower
Development
and Investment Opportunity

EVALUATION REPORT

Request for Proposal

6 December 2012
1 Introduction and Background

The State is seeking a Proponent to develop a commercial office tower at 1 William Street and sublease to the State between 60,000sqm and 75,000sqm of office space.

An Expression of Interest Invitation (EOI) was released on 7 August 2012 to registrants from the Registration of Interest, and published on the Queensland Treasury and Trade web site. Responses to the EOI closed on 27 August 2012.

A short list of six Proponents was announced on 24 September 2012 after evaluation of the EOI responses by the Evaluation Panel.

Request for Proposal (RFP) documentation was released to the short listed Proponents on 27 September 2012.

Evaluation Panel

The State established an RFP Evaluation Panel to evaluate the RFP responses. The Evaluation Panel is responsible for evaluating RFP responses (Proposals) and submitting recommendations to the Under Treasurer and Treasurer. The Evaluation Panel comprises:

- Liam Gordon – Chair & Project Director, Queensland Treasury and Trade – Projects Queensland
- Paul Krautz – Transaction Manager, Queensland Treasury and Trade – Projects Queensland
- Damien Walker – General Manager, Department of State Development, Infrastructure and Planning

As outlined in the Evaluation Plan, alternative members may be appointed by the Project Director from time to time, as the Project Director deems appropriate. No alternative members were appointed.

Advisors to the Panel

The Evaluation Panel was supported by the Project Team and the relevant advisory panels and Advisors as follows:

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Chair/Consultant</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Panel</td>
<td>Malcolm Middleton</td>
<td>Government Architect</td>
</tr>
<tr>
<td>Commercial Panel</td>
<td>Michael Greene</td>
<td>JLL</td>
</tr>
<tr>
<td>Financial Panel</td>
<td>Paul Morris</td>
<td>KPMG</td>
</tr>
<tr>
<td>Legal Panel</td>
<td>Mark Mackay</td>
<td>Clayton Utz</td>
</tr>
<tr>
<td>Probity</td>
<td>Zoran Radosevic</td>
<td>BDO</td>
</tr>
<tr>
<td>Urban Planning</td>
<td>Rebecca Arnaud</td>
<td>BCC</td>
</tr>
</tbody>
</table>

Other specialist advisors – including architectural, engineering, and quantity surveying – also participated in the RFP evaluation process and assisted the Evaluation Panel.
Queensland Treasury & Trade
1 William Street Project - Request for Proposal
Probity Advisor’s Report

To: Projects Queensland, Queensland Treasury & Trade

Introduction

BDO are the appointed probity advisors for the Queensland Treasury & Trade (‘QTT’) 1 William Street Project.

Background

Following the Expressions of Interest (‘EOI’) process, six (6) consortia being, Cbus Property Pty Ltd, Grocon Property Developments Pty Ltd, Lend Lease Development Pty Ltd, Leighton Contractors Pty Ltd, Brookfield Office Properties Pty Ltd, and Westfield Limited were shortlisted to proceed to the RFP stage. At the commencement of the RFP stage, two (2) consortia being, Brookfield Office Properties Pty Ltd and Westfield Limited withdrew from the process.

The RFP document was issued to the four (4) Proponents on 27 September 2012. Proposals were lodged by all four (4) Proponents on 21 November 2012, the RFP closing date. The Evaluation Panel and advisory teams have performed their evaluation work in order to deliver their recommendations in December 2012.

Scope of Probity Advisory Work

At the commencement of the procurement phase of the project, we developed the Probity Guidelines which outlined the following:

- Underlying probity principles;
- Probity protocols, to be adhered to or which needed to be developed in order to manage and/or mitigate the risks; and
- Probity requirements for the procurement processes.

The Probity Guidelines are based on the principle that the achievement of probity throughout each phase of the Project was the responsibility of all project participants involved in the Project, and furthermore, that a key objective for all project participants should be to contribute towards ensuring:

- Independence and confidentiality;
- Fair and equitable treatment of interested parties;
- Security of information; and
- Transparency and accountability.

During the RFP process we have performed the following:

a) Reviewed the RFP and evaluation documentation for the appointment of Commercial, Financial, Legal and Technical advisors;
b) Reviewed probity declarations;
c) Attended the individual briefing of all proponents following the EOI stage of the process;
d) Attended the joint briefing of Proponents in relation to the QUT;
e) During the RFP interactive process, we attended the following:
   i. Architectural and technical workshop sessions;
   ii. Proponent feedback sessions; and
   iii. Legal workshop sessions.
f) Reviewed correspondence with Proponents;
g) Reviewed the Evaluation Plan for the RFP stage;
h) Provision of advice in relation to probity issues;
i) Meetings and discussions with the Project Team;
j) Attended the submission of Proposals on 21 November 2012;
k) Attended the presentations by Proponents on 26 November 2012;
l) Attended BAFO meetings and workshops with proponents;
m) Attended BAFO lodgement of submissions on 17 December 2012;
n) Attended Evaluation Panel meetings;
o) Read the Evaluation Panel advisory team’s reports;
p) Reviewed the RFP Evaluation Report; and
q) Attended briefing sessions for the Project Advisory group.

**Probity Advisory Results and Summary**

From the work performed above we confirm the following:

a) A process has been established for the conduct of the 1 William Street procurement process;
b) The evaluation criteria and evaluation plan were established and documented prior to submission of proposals in response to the RFP;
c) The evaluation plan was established in accordance with the evaluation criteria;
d) Personnel involved in the evaluation process had completed declarations of confidentiality and conflicts of interests or contractual undertakings;
e) From discussions, observations and review of documentation, equal opportunity was provided to Proponents involved during the different stages of the process;
f) Based on our review of documentation, observations and discussions, the Project Team observed probity protocols throughout the process;
g) From observation and discussion, adequate security and confidentiality procedures appeared to be followed by the Project Team;
h) From observation and review, the evaluation criteria contained in the evaluation plan was followed by the Evaluation Panel during the evaluation process; and

i) The evaluation and the results of the evaluation were documented to evidence the process followed and the conclusions reached.

In conclusion, we have reviewed the process associated with the RFP process for the 1 William Street Project, and from a probity perspective, based on the scope of work performed as detailed above, we are satisfied that a fair and equitable process was followed in accordance with the documentation, and the evaluation process was carried out in accordance with the established criteria to reach the conclusions.

BDO (Qld) Pty Ltd

Zoran Radosevic
Director
Dated this 20th day of December 2012
# BRIEFING NOTE

**FROM** Treasury and Trade  
**FOR** Treasurer and Minister for Trade  
**SUBJECT** Toowoomba Second Range Crossing – 2012 Business Case  
Stakeholder Engagement Process  
**Contact Officer:** Robert Fleming, Projects Queensland, 3035 1854  
**Record No:** TRY-02825  
**Date:** 10 January 2013  
**Requested by:** N/A  
**Date Approval Required By:** N/A

## PURPOSE

1. The purpose of this brief is to seek your approval of the proposed stakeholder consultation strategy for the 2012 Toowoomba Second Range Crossing (TSRC) Business Case.

## BACKGROUND

2. In 2012, Projects Queensland (PQ), with input from the Department of Transport and Main Roads (DTMR) completed a revised business case for the TSRC Project (the Business Case). The Business Case was considered by CBRC in late 2012, and is being progressed to Infrastructure Australia (IA) for consideration of funding for the TSRC by the Australian Government.

3.  

4. It is proposed stakeholder consultation occurs over January 2013, given Toowoomba Regional Council’s (TRC’s) forum on the TSRC ('Sealing the Deal') on 8 February 2013 (TSRC Forum), at which the State (PQ and DTMR) has been requested to present on the 2012 TSRC Business Case. This forum is expected to be attended by a range of Government (Federal, State and Local) and industry representatives.

5. PQ and TRC are having a ‘Fly-through’ (video model) of the TSRC Reference Design developed by PQ’s engineering consultants, intended to be released at the TSRC forum.

## ISSUES

6. The focus of the 2012 Reference Design was a more affordable transport solution based on the technical scope identified by Government in May 2012. Key design changes from the project assessed in the 2008 business case include intersection design, road configuration (numbers of lanes) and tunnel dimensions. The final Reference Design sought to balance cost, safety and capacity, and ability to allow for future upgrades.

7. Whilst relevant local councils (Toowoomba and Lockyer Valley Regional Councils) were consulted during the development of the 2012 Reference Design, they have not been advised of the final technical solution as included in the Reference Design. The proposed consultation strategy seeks to inform key stakeholders of the final design prior to the TSRC forum. Further, we understand that the Deputy Premier will be providing a copy of the 2012 Business Case to Local Members of Parliament and Mayors of the Local Councils in early 2013.

8. In addition, it is intended that key industry groups will be informed of the outcome of considerations around tolling and mandated use of the TSRC by heavy and super heavy vehicles without a destination in Toowoomba.
9. Key stakeholders, likely concerns and key messages are included in Attachment 1.

10. It is intended that consultation be primarily undertaken jointly by PQ and DTMR. Subject to key stakeholder availability, it is intended that consultation occur over the weeks of January 22 to February 1 2013, prior to the TSRC Forum.

11. PQ will consult with your Office in the finalisation of materials for the stakeholder consultation process.

MEDIA RELEASE

12. Whilst it is intended that stakeholder consultation be undertaken on a confidential basis, it should be noted that the commencement of the stakeholder process will likely raise some media interest given the upcoming TSRC forum. In addition, further information on the TSRC Project and the outcomes of the 2012 Business Case will be released through the TSRC forum.

RESULTS OF CONSULTATION

13. In preparing this briefing note, consultation has occurred with DTMR, including its Regional (Toowoomba) Office. On your approval, a copy of this briefing note and the consultation strategy will be provided to the Premier, the Deputy Premier and Minister for State Development, Infrastructure and Planning, and the Minister for Transport and Main Roads for their information.
RECOMMENDATION

14. It is recommended that you:

- approve the proposed consultation strategy for key stakeholders for the TSRC; and

- note that subject to your approval of the proposed consultation strategy, a copy will be provided to the Premier, the Deputy Premier and Minister for State Development, Infrastructure and Planning, and the Minister for Transport and Main Roads for their information.

Helen Gluer
Under Treasurer  Date / /

☐ Approved  ☐ Not approved  ☐ Noted
Treasurer and Minister for Trade  Comments

Tim Nicholls
Treasurer and Minister for Trade  / /
<table>
<thead>
<tr>
<th>Organisation</th>
<th>Key Stakeholder</th>
<th>Consultation</th>
<th>Consultation Issues</th>
<th>Key Messages</th>
</tr>
</thead>
</table>
| Toowoomba Regional Council          | Mayor – Paul Antonio  
- Councillors  
- CEO – Brian Pidgeon  
(acting) | PQ/DTMR Deputy Premier’s Office | • Reference Design (RD) - scope  
  ▪ Tunnel width  
  ▪ Over Dimensional (OD) vehicles  
  ▪ At-grade intersections  
  ▪ 3 lanes – Mort Street to Charlton  
  ▪ Boundary Street | • Affordability key focus of 2012 RD  
• 2012 RD saving of 20% compared to equivalent day pricing of 2008 RD  
• Traffic modelling indicates sufficient capacity for volumes in medium term  
• Current design does not preclude future upgrades including addition of Boundary Street intersection  
• Project can accommodate large proportion (65%) of OD vehicles and provides alternative route for traffic when larger OD vehicles travel on existing route |
| Lockyer Valley Regional Council      | Mayor – Steve Jones  
- Councillors  
- CEO – Ian Flint | PQ/DTMR Deputy Premier’s Office | • Lack of consultation on original RD decision  
  ▪ RD scope  
  ▪ Tunnel width  
  ▪ Connection through to Gore Highway – impact on affordability  
  ▪ OD vehicles  
  ▪ Flood impacts | • Scope seeks to best accommodate the region’s future needs  
• Scope seeks to maximise benefits of an affordable solution:  
  ▪ Narrower tunnel accommodates expected traffic volumes and B-triples safely  
  ▪ Warrego West to Gore Hwy connection adds only 13% to overall Project cost, but over 1,000 heavy vehicles expected to use this section daily |
| SEQ, Council of Mayors – Infrastructure Sub-Committee | Chair - Steve Jones | PQ/DTMR | Project can accommodate large proportion (65%) of OD vehicles and provides alternative route for traffic when larger OD vehicles travel on existing route  
Road meets existing State-wide flood standards (1 in 100 year) and is designed to minimise afflux to region if inundated  
Affordability key focus of 2012 RD  
Timing influenced by funding agreement – reliant on significant Australian Government funding support  
Tolling as partial funding source |
| Toowoomba and Surat Basin Enterprise | Chair – John Wagner CEO – Shane Charles | PQ/DTMR | Project affordability and priority  
Timing for commencement  
Tolling  
Mandated use  
Scope and OD Vehicles  
Affordability key focus of 2012 RD  
Timing influenced by funding agreement – reliant on significant Australian Government funding support  
Tolling as partial funding source  
Tolling consistent with national user pays policy and reflects freight industry as key beneficiary of TSRC  
Calculated untolled benefits are lower than tolled with additional congestion impacting high value freight movements |
<table>
<thead>
<tr>
<th>Queensland Trucking Association</th>
<th>CEO - Peter Garske</th>
<th>PQ/DTMR</th>
<th>Key benefits of travel time and vehicle operating cost savings with more efficient crossing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Additional benefits through safety, reliability and other externalities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mandated use for through heavy vehicles seeks to ensure achievement of key Project outcomes, including diverting heavy vehicles from Toowoomba city centre</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Project can accommodate large proportion (65%) of OD vehicles and provides alternative route for traffic when larger OD vehicles travel on existing route</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Timing for commencement</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Traffic (heavy vehicle) volumes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>RD scope</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>At-grade intersections</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3 lanes – Mort Street to Charlton</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tolling</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mandated use</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Scope</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Timing influenced by funding agreement – reliant on significant Australian Government funding support</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Affordability key focus of 2012 RD</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2012 RD saving of 20% compared to equivalent day pricing of 2008 RD</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Traffic modelling indicates sufficient capacity for volumes in medium term</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Current design does not preclude future upgrades including additional lanes and grade separation of intersections when required</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tolling as partial funding source</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>------------------</td>
<td>------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Queensland    | CEO – Michael Roche | PQ/DTMR          | • Timing for commencement  
• Tolling  
• Mandated use                                                                                                                                                                                 |
| Resources Council |                  |                  | • Timing influenced by funding agreement – reliant on significant Australian Government funding support  
• Tolling as partial funding source  
• Tolling consistent with national user pays policy and reflects freight industry as key beneficiary of TSRC  
• Calculated untolled benefits are lower than tolled with additional congestion impacting high value freight movements                                                                 |
- Key benefits of travel time and vehicle operating cost savings with more efficient crossing.
- Additional benefits through safety, reliability and other externalities.
- Mandated use for through heavy vehicles seeks to ensure achievement of key PROJECT outcomes, including diverting heavy vehicles from Toowoomba city centre.

<table>
<thead>
<tr>
<th>Federal Members</th>
<th>State Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Ian MacFarlane MP, Member for Groom, Treasurer/Deputy Premier's Office</td>
<td>- Ian Rickuss MP, Member for Wright, Treasurer/Deputy Premier's Office</td>
</tr>
<tr>
<td>- Scott Buchholz MP, Member for Lockyer</td>
<td>- Trevor Watts MP, Toowoomba North, Toowoomba South</td>
</tr>
<tr>
<td>- John McVeigh MP, Toowoomba South</td>
<td>As above for key stakeholders</td>
</tr>
</tbody>
</table>

As above for key stakeholders.
BRIEFING NOTE

FROM: Treasury and Trade
FOR: Treasurer and Minister for Trade
SUBJECT: City North Infrastructure Pty Ltd – Proposed Approach for Wind-Up

Contact Officer: Craig Smith, Projects Queensland, 3035 1838
Record No: TRY-02938
Date: 25 Jan 2013
Requested by: N/A
Date Approval Required By: 1/2/2013

PURPOSE

1. The purpose of this briefing note is to seek:
   - your endorsement of the proposed approach for the wind-up of City North Infrastructure Pty Ltd (CNI); and
   - your signature on several letters related to the wind-up process.

BACKGROUND

2. CNI is a special purpose vehicle established in 2006 to manage the procurement of the Airport Link, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade Projects (collectively, the 'Projects') on behalf of the State. CNI is wholly-owned by the State and is subject to the provisions of the Corporations Act 2001.

3. BrisConnections (a consortium comprising Macquarie Capital Group Limited, Thiess Pty Ltd and John Holland Group) has a 45 year concession from 2008 to design, construct, operate, maintain and finance the AirportLinkM7 tunnel. BrisConnections also designed and constructed the Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade.

4. The State’s investment in CNI comprises six shares, three of which are held by Queensland Treasury Holdings Pty Ltd (QTH) as trustee for the State of Queensland and the other three by Mr David Stewart as trustee for the State of Queensland (as a result of his former role as Director-General of the Department of Transport and Main Roads (DTMR)).

5. With the construction phase of the projects now completed, there is a need to consider the future of CNI. This briefing note outlines some of the issues associated with the proposed wind-up of CNI and seeks your endorsement of the proposed approach.

ISSUES

6. CNI was funded to undertake the contract management function for the Projects on behalf of the State. The original intention was that CNI would undertake this role for seven years (four years construction, followed by the first three years of toll road operations) before transfer of contract management activities to the relevant authority (assumed to be DTMR).

7. While the construction phase is now completed, CNI advises that several outstanding tasks remain, which present potentially significant risks to the State. CNI's view, which is supported by Projects Queensland, is that continuity in the management of these issues should be a key part of the State's risk mitigation strategy. The remaining issues include:
• Construction closeout - AirportLink construction closeout was due for completion before 20 December 2012, but is now expected to occur in the first half of 2013. We understand that issues remain with full implementation of the tolling system, for example.

• Resolution of commercial disputes – CNI advises that a full commercial settlement of most, if not all, existing commercial disputes could be achieved early in 2013, or at least progressed beyond key strategic decision points.

• Anticipated restructure of BrisConnections – As a result of its financial issues, BrisConnections is likely to undergo a substantial financial and organisational restructure in the near future, to be managed either by the company itself or by a receiver appointed by its financiers. The first trigger date is likely to be the next meeting of the BrisConnections board in February.

• Property Damage Complaints – the extent of the risk arising from property damage complaints is expected to be understood in the first half of 2013.

8. Given CNI’s advice that these issues will be addressed during the first half of 2013, or at least progressed beyond key strategic decision points, it is not considered necessary that CNI retain its contract management role for the originally intended three year period following the start of toll road operations.

9. On this basis, CNI recommends that it should remain in its current form until 30 April 2013 to progress the issues above but that it cease as an operating entity from that date. Current full time equivalent (FTE) staffing numbers are 15.5, having peaked at 43 during the construction period. With the exception of the arrangements discussed in paragraph 16 below, all remaining staff would leave CNI on or before that date. Projects Queensland supports this approach.

Wind-Up process

10. It is proposed that CNI and its residual assets remain with QTH, a subsidiary of Queensland Treasury Corporation (QTC). QTH currently holds the residual assets of various former State-owned companies (e.g. Cairns and Mackay airports, and the State’s residual shareholding in Aurizon Limited) and is considered the most appropriate vehicle to own CNI pending finalisation of its liquidation. QTH’s role will be largely administrative, primarily in relation to the management of CNI’s corporate affairs. A letter to the Chair of QTH is attached for your signature, indicating your support for this approach.

11. The intention is that DTMR will ultimately assume CNI’s contract management function. However, given the commercial nature of the outstanding issues listed above, it is considered prudent that contract management be transferred to Projects Queensland initially. This role will involve management of the contractual and commercial issues currently undertaken by CNI. Projects Queensland will work closely with QTH as required in relation to the performance of this function. Over time, as all of the commercial issues are resolved, the contract management function can transfer to DTMR at a date to be determined.
12. In preparation for CNI’s operational close on 30 April 2013, there are various steps of an administrative, accounting or governance nature which will need to occur, including:

- commencing a process to sub-lease CNI’s existing office space to either a third party or government entity;
- prepay all fixed costs (e.g. rentals, consultants) to 30 June 2013;
- arranging for the storage, and prepaying the associated costs, of the original tender submissions, which are legally required to be kept for three years;
- transfer ongoing contract management responsibility to Projects Queensland;
- cancel the shares currently held by Mr David Stewart in trust for the State of Queensland; and
- commence the process to liquidate the company.

13. In addition, an administrator to conduct the liquidation is required, final financial statements prepared for the 2012-13 financial year, GST and fringe benefits tax returns finalised, and the various requirements of the Corporations Act 2001 undertaken.

14. Projects Queensland understands that CNI has advice from the Queensland Audit Office that a final audit will be needed for the 2012-13 accounts only. This is expected to occur in August 2013.

15. To minimise the final dividend payable to shareholders and to simplify accounting issues, it is proposed that a final transfer of excess funds (approximately $4 million) to the State will be performed prior to 30 June 2013 (see also paragraph 27 below).

16. To ensure these tasks are undertaken in a timely manner, it is recommended that the existing Chief Executive Officer (Mr David Lynch) and Chief Financial Officer/Company Secretary (Mr Michael Glover), supported by one other finance and IT officer (Mr Bobby Tiong), be retained on a part-time consultancy basis. Costs associated with these consultancies could be met from the existing budget allocations for 2012-13, 2013-14 and 2014-15 (see Financial Implications section below).

17. CNI also has arrangements with various professional service firms, including Ernst & Young, Clayton Utz and SKM, and it is recommended that these arrangements remain in place in case further advice is required from these firms.

18. The liquidation process is expected to take approximately one year, although this is not a full time process. This estimate is based on CNI’s current advice and will be subject to review as issues emerge during the wind-up process.

Governance Issues

19. There are currently six members of the CNI board, comprising three external members (paid positions) and a representative from each of Queensland Treasury and Trade, DTMR and the Department of State Development, Infrastructure and Planning (DSDIP).

20. With the key functions of the board now substantially complete and CNI’s operational role proposed to end on 30 April 2013, there will be no role for the current board beyond that date. However, there will be a need for one (maybe two) existing directors to remain to sign off CNI’s final financial statements, most likely in September 2013, after which they could also resign their positions.
21. Accordingly, it is proposed that most of the current CNI board resign their positions on or before 30 April 2013, with the remaining director (or directors) to remain until after the final financial statements are signed off. The QTH board (or part of it) would join the CNI board at an appropriate time between 30 April 2013 and when the financial statements are finalised.

22. It is recommended that you write to the Chair of CNI, Mr Les Ford, thanking him and his fellow board members for their valued contribution and indicating your support of the position indicated above. The proposed letter is attached for your signature.

FINANCIAL IMPLICATIONS

23. CNI has prepared an estimate of the costs associated with the wind-up and ongoing activities between now and 2014-15, as detailed in the table below. These figures contain various contingencies and should be considered as conservative:

<table>
<thead>
<tr>
<th>Item</th>
<th>May/June 2013 $'000</th>
<th>2013-14 $'000</th>
<th>2014-15 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract Management Tasks</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for existing consultancies (if</td>
<td>317</td>
<td>1,713</td>
<td>984</td>
</tr>
<tr>
<td>required)</td>
<td>64</td>
<td>240</td>
<td>240</td>
</tr>
<tr>
<td>Retained CEO</td>
<td>20</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Contract management Administration Support</td>
<td>38</td>
<td>190</td>
<td>99</td>
</tr>
<tr>
<td>Urban Mitigation consultancy (if required)</td>
<td>66</td>
<td>548</td>
<td>343</td>
</tr>
<tr>
<td>Overall Contingency (15%)</td>
<td>505</td>
<td>2,741</td>
<td>1,716</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>675</td>
<td>3,157</td>
<td>1,977</td>
</tr>
</tbody>
</table>

24. CNI operates pursuant to a Project Management Agreement between the State and CNI. The Project Management Agreement was amended several times during the Projects, with the current version dating from 1 July 2009. Among other issues, the Program Management Agreement contains CNI's funding arrangements, including the budgeted amounts for each financial year. CNI receives funding from the DSDIP on a quarterly basis.

25. CNI will draw down all of its 2012-13 funding allocation, which will cover the May/June 2013 costs in the table above. CNI's approved budgets for 2013-14 and 2014-15 are $3.1 million and $5.6 million respectively. Following its liquidation, CNI will no longer need to draw down the amounts for 2013-14 and 2014-15, with the savings available to cover the costs in the table above and any other costs which may be incurred by QTH and/or Projects Queensland.

26. DSDIP's forward estimates contain an allocation for these operational amounts. In addition, the DSDIP forward estimates contain the capital funding for the $13.1 million in urban mitigation works discussed in paragraph 7 above, although it is understood that CNI has made a request to draw down these funds. As these allocations are no longer required, it is recommended that you write to the Deputy Premier and Minister for State Development, Infrastructure and Planning, advising that the undrawn amounts will be transferred to Queensland Treasury and Trade to fund ongoing work related to CNI on the basis that Treasury will reimburse QTH for costs associated with CNI's wind-up. The proposed letter is attached for your signature.
27. In addition, CNI expects to have approximately $4 million in surplus cash, relating to unused operational funding, at the end of the wind-up process. The initial view of Treasury’s Budget Strategy and Co-ordination Branch is that this cash should be returned to Consolidated Fund, but this position will be reviewed as the liquidation process progresses.

RESULTS OF CONSULTATION

28. Projects Queensland consulted with officers of CNI and QTH in the preparation of this briefing note.

RECOMMENDATION

29. That you:

- **note** that CNI’s operational role is expected to end on 30 April 2013;

- **endorse** an approach for the liquidation of CNI, which involves:
  - ownership of CNI remaining with QTH pending liquidation of the company;
  - the CNI shares held by Mr David Stewart in trust for the State of Queensland being cancelled;
  - from 30 April 2013, Projects Queensland assuming the contract management role previously undertaken by CNI, with an intention that DTMR will assume the function in the future once all contentious commercial issues are resolved;
  - a small team of current CNI employees being retained on a part-time consultancy basis (to be engaged by QTH) to assist in winding-up the company;
  - existing consultancies with several professional services firms being maintained, in case further advice is required from these firms in the future;
  - most of the current CNI board resigning their positions on or before 30 April 2013, with one or two board members remaining to sign the final accounts, and the QTH board (or part of it) being appointed to the board of CNI before the financial statements are finalised;
- 6 -

- the undrawn CNI funding allocation currently contained in the forward estimates of the Department of State Development, Infrastructure and Planning being transferred to Treasury on the basis that Treasury will reimburse QTH for costs associated with CNI's wind-up; and

- any surplus cash currently held by CNI being returned to Consolidated Fund; and

- sign the attached letters to the Deputy Premier and Minister for State Development, Infrastructure and Planning, the Chair of CNI and the Chair of QTH.

Helen Gluer  
Under Treasurer  
Date / /  

☐ Approved  ☐ Not approved  ☐ Noted  
Treasurer and Minister for Trade  Comments  

Tim Nicholls  
Treasurer and Minister for Trade  
/ /  

* This officer may be required to provide further detailed information regarding the issue

RTI Document No.1070
Mr Les Ford  
Chair  
City North Infrastructure Pty Ltd  
GPO Box 2563  
BRISBANE QLD 4001

Dear Mr Ford,

I refer to the end of substantial construction activities on the AirportLink, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade projects, and to the implications for the current governance arrangements of City North Infrastructure Pty Ltd (CNI).

With the construction phase of these projects now completed, there is a need to consider the ongoing role of CNI.

In this regard, I note that the original intention was that CNI would undertake a contract management role for seven years, comprising four years of construction and three years of toll road operations, ahead of a transfer of contract management activities to the relevant authority.

I am advised that several outstanding tasks remain, including construction closeout, resolution of remaining commercial disputes, the anticipated restructure of BrisConnections, urban mitigation works and resolution of property damage complaints. However, I also understand that these issues are likely to be addressed in the first half of 2013, or at least progressed beyond key strategic decision points. On this basis, I do not believe that it is necessary that CNI retain its contract management role for the originally intended three year period following the start of toll road operations.

Accordingly, I support an approach which involves CNI remaining in its current form until 30 April 2013 to progress the outstanding issues, but that it should cease as an operating entity on that date. After that date, I propose that Queensland Treasury Holdings Pty Ltd (QTH) retain ownership of CNI throughout a subsequent liquidation process and that Projects Queensland, a unit within Queensland Treasury and Trade, should assume CNI’s contract management function. Over time, as all of the commercial issues are resolved, the contract...
management function can transfer to the Department of Transport and Main Roads on a date to be determined.

Clearly, this approach will have implications for the current board governance arrangements. In particular, my view is that the key functions of the board are now substantially complete and that the board may wish to consider its ongoing role beyond 30 April 2013.

In this regard, I would support an approach in which most of the current CNI board resign their positions on or before 30 April 2013, with one or two directors, supported by the Company Secretary, remaining to provide continuity throughout the liquidation process. This would assist with issues such as the finalisation of CNI’s financial statements early in the 2013-14 financial year.

I also believe it would be appropriate for one or more of QTH’s directors to join the new CNI board, given QTH’s ownership of CNI, during its liquidation process. In my view, this would not need to occur until after 30 April 2013 but ideally the new appointments would be made before the financial statements are finalised. I will write separately to the Chair of QTH indicating my support for this approach.

Subject to your agreement to the position I have outlined in this letter, I encourage the board to consider the required actions ahead of CNI’s proposed operational close on 30 April 2013 and, if considered appropriate, pass the required resolutions. I have requested that officers of my department work closely with CNI to assist in this process and ensure a smooth transition and handover. I believe it would also be appropriate for a small number of key staff of CNI, including the Chief Executive Officer and Chief Financial Officer, to remain throughout the liquidation process (on a part-time consultancy basis, engaged through QTH) to manage the required processes.

Should you have any queries in relation to these matters, please contact Mr Dave Stewart, Executive Director, Projects Queensland, on (07) 3035 1986.

On behalf of the Government, I commend you and your fellow directors on your significant contributions to the leadership of CNI over the past few years and the strong governance you ensured throughout the construction phase of these important projects. It will be appreciated if you would convey my sincere appreciation to your fellow directors on my behalf.
I would also like to take this opportunity to extend my personal thanks to you for your leadership of the CNI board during your tenure as Chair. I wish you well in your future endeavours.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
TRY-02938

The Honourable Jeff Seeney MP
Deputy Premier, Minister for State Development,
  Infrastructure and Planning
PO Box 15009
CITY EAST QLD 4002

Dear Mr Seeney

I refer to the end of substantial construction activities on the AirportLink, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade projects, and to the implications for the current governance arrangements of City North Infrastructure Pty Ltd (CNI).

With the construction phase of these projects now completed, there is a need to consider the ongoing role of CNI.

In this regard, I note that the original intention was that CNI would undertake a contract management role for seven years, comprising four years of construction and three years of toll road operations, ahead of a transfer of contract management activities to the relevant authority.

I am advised that several outstanding tasks remain, including construction closeout, resolution of remaining commercial disputes, the anticipated restructure of BrisConnections, urban mitigation works and resolution of property damage complaints. However, I also understand that these issues are likely to be addressed in the first half of 2013, or at least progressed beyond key strategic decision points. On this basis, I do not believe that it is necessary that CNI retain its contract management role for the originally intended three year period following the start of toll road operations.

Accordingly, I support an approach which involves CNI remaining in its current form until 30 April 2013 to progress the outstanding issues, but that it should cease as an operating entity on that date. After that date, I propose that Queensland Treasury Holdings Pty Ltd (QTH), a subsidiary of Queensland Treasury Corporation, retain ownership of CNI throughout a subsequent liquidation process and that Projects Queensland should assume CNI’s contract management function. Over time, as all of the commercial issues are resolved, the
contract management function can transfer to the Department of Transport and Main Roads on a date to be determined.

As you are aware, CNI operates pursuant to a Project Management Agreement between the State and CNI. Among other issues, the Program Management Agreement contains CNI's funding arrangements, including the budgeted amounts for each financial year. CNI will draw down all of its 2012-13 funding allocation, but will not require its approved budgets for 2013-14 and 2014-15 of $3.1 million and $5.6 million respectively.

The forward estimates of your department contain an allocation for these operational amounts. In addition, your department’s forward estimates contain capital funding of $13.1 million in relation to urban mitigation works required to be managed by CNI. As the operational and capital funding allocations will no longer be required by CNI, I propose that the undrawn appropriation amounts be transferred to Queensland Treasury and Trade to fund the ongoing work related to CNI.

Subject to your support for the approach outlined above, I will ask my departmental officers to liaise with officers of your department to implement the required arrangements.

Thank you in anticipation of your support. Should you or your officers have any queries in relation to these matters, please contact Mr Dave Stewart, Executive Director, Projects Queensland, on (07) 3035 1986.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
TRY-02938

Mr Gerard Bradley
Chair
Queensland Treasury Holdings Pty Ltd
c/- Queensland Treasury Corporation
GP0 Box 1096
BRISBANE QLD 4001

Dear Mr Bradley

I refer to the end of substantial construction activities on the AirportLink, Northern Busway (Windsor to Kedron) and Airport Roundabout Upgrade projects, and to the implications for the current governance arrangements of City North Infrastructure Pty Ltd (CNI).

With the construction phase of these projects now completed, there is a need to consider the ongoing role of CNI.

In this regard, I note that the original intention was that CNI would undertake a contract management role for seven years, comprising four years of construction and three years of toll road operations, ahead of a transfer of contract management activities to the relevant authority.

I am advised that several outstanding tasks remain, including construction closeout, resolution of remaining commercial disputes, the anticipated restructure of BrisConnections, urban mitigation works and resolution of property damage complaints. However, I also understand that these issues are likely to be addressed in the first half of 2013, or at least progressed beyond key strategic decision points. On this basis, I do not believe that it is necessary that CNI retain its contract management role for the originally intended three year period following the start of toll road operations.
Accordingly, I support an approach which involves CNI remaining in its current form until 30 April 2013 to progress the outstanding issues, but that it should cease as an operating entity on that date. After that date, I propose that QTH retain ownership of CNI throughout a subsequent liquidation process and that Projects Queensland, a unit within Queensland Treasury and Trade (QTT), should assume CNI's contract management function. Over time, as all of the commercial issues are resolved, the contract management function can transfer to the Department of Transport and Main Roads on a date to be determined.

Clearly, this approach will have implications for the current board governance arrangements of CNI. In particular, my view is that the key functions of the CNI board are now substantially complete and that it may wish to consider its ongoing role beyond 30 April 2013.

In this regard, I would support an approach in which most of the current CNI board resign their positions on or before 30 April 2013, with one or two current directors, supported by the Company Secretary, remaining to provide continuity throughout the liquidation process. This would assist with issues such as the finalisation of CNI's financial statements early in the 2013-14 financial year.

I also believe it would be appropriate for one or more of QTH's directors to join the new CNI board, given QTH's ownership of CNI, during its liquidation process. In my view, this would not need to occur before 30 April 2013 but ideally the new appointments would be made before the financial statements are finalised.

I have suggested to the Chair of CNI that a small number of key staff of CNI, including the Chief Executive Officer and Chief Financial Officer, could remain throughout the liquidation process to manage the required processes. Subject to your agreement, I propose that these officers be engaged on a part-time consultancy basis through QTH.

I appreciate that the approach outlined in this letter will result in an increase in workload and associated costs for QTH, particularly to the extent that professional advice is required in the completion of liquidation or future contract management activities. In this regard, I propose that the funding which is currently allocated to CNI in the forward estimates should be re-allocated to QTT and that QTT will reimburse QTH for any costs incurred.

I will write separately to the Chair of CNI indicating my support for the approach outlined above.

Should you have any queries in relation to these matters, please contact Mr Dave Stewart, Executive Director, Projects Queensland, on (07) 3035 1986.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
BRIEFING NOTE

FROM Treasury and Trade
FOR Treasurer and Minister for Trade
SUBJECT Government Wireless Network Project – Letter from CSC

Contact Officer: Mary-Anne Curtis, Projects Queensland, 30351858
Record No: TRY-05281
Date: 5 March 2013
Requested by: N/A
Date Approval Required By: 6/3/2013

PURPOSE
1. The purpose of this brief is to seek your signature on the attached letter (Attachment 2) to Mr Business Development Executive from CSC, a member of one of the shortlisted consortia for the Government Wireless Network (GWN) Project.

BACKGROUND
2. The Expression of Interest stage shortlisted three parties for the GWN Project. The Queensland Wireless Network Consortium (QWN), of which CSC is a member, was one shortlisted party (now termed Bidder).

3. On 4 March 2013, you wrote to you requesting a meeting with you and Mr Dave Stewart of Projects Queensland, in relation to the GWN Project Procurement Process (Attachment 1).

4. Projects Queensland has drafted a response to CSC (Attachment 2).

ISSUES
5. During the course of the GWN Procurement Process, QWN has communicated to the GWN Project Team a number of its views on the Process and issues QWN may have in meeting the State's requirements.

6. QWN has identified issues including:

7. Projects Queensland has engaged in multiple interactive sessions with all Bidders for the GWN Project. In addition to discussing many of the above issues at these sessions, Projects Queensland has also provided written responses to QWN's previous correspondence. Where applicable, advice has been sought from the State's legal, financial/ commercial, technical and probity advisors, before providing a response to each of the matters raised by QWN.
8. The GWN Project Team has also prepared the technical specifications in consultation with public safety agencies and the Project's technical advisor, Mingara. The specifications are reflective of agency requirements and are considered to be appropriate for the State’s security requirements and well defined for the purposes of obtaining fixed price bids for G20 and SEQ Service Areas.

9. Projects Queensland is aware that QWN has advised it may withdraw from the procurement process. It is noted that the two other Bidders have not raised the same issues as QWN and remain committed to the procurement process and working with the State to achieve the Project objectives.

10. As a point of process, Contrary to Public Interest is not the nominated contact representative for QWN, and the formal GWN Project contact processes in place for Bidders have not been followed in this instance. This has been noted in the response to Contrary to Public Interest.

11. The GWN Project has a probity advisor, Mr Peter Bruton, and concerns of a probity nature can be raised directly with Mr Bruton, as advised in the response. Mr Bruton has been notified of this communication from CSC.

RECOMMENDATION

12. It is recommended that you sign the attached letter (Attachment 2) to Contrary to Public Interest from CSC, a member of one of the shortlisted consortia for the Government Wireless Network (GWN) Project.
TRY-03281

Contrary to Public Interest

Business Development Executive
CSC
555 Coronation Drive
TOOWONG QLD 4066

Dear [Contrary to Public Interest]

Thank you for your letter of 5 March 2013 regarding the Government Wireless Network Project. I am unwilling to agree to a meeting because there is an active procurement process and this would not be an appropriate course of action at this time.

However, I can advise that the policy decisions of Government around a Government Wireless Network have been considered very carefully by Cabinet and Projects Queensland have been asked to implement these decisions. I am not at liberty to outline these considerations in this letter, other than to say they are reflected in the Request for Binding Bid Documentation that is currently being released to shortlisted proponents.

I am also aware there has been, and will continue to be, active dialogue with shortlisted proponents, in accordance with probity protocols, including face to face meetings and correspondence. I want to iterate that the Government’s position has been outlined during this process.

If you have specific matters you wish to draw to the attention of Projects Queensland then I recommend that you do so via the formal process provided (that is, all contact should be through the Consortium’s nominated contact representative). You also have an opportunity to discuss any matters of a probity nature with the Probity Advisor, Mr Peter Bruton.

This is a challenging project and I understand that Consortia will make decisions that are reflective of the best interests of their respective members.

Yours sincerely

Tim Nicholls
Treasurer and Minister for Trade
BRIEFING NOTE

FROM Treasury and Trade
FOR Treasurer and Minister for Trade
SUBJECT Parklands Commonwealth Games Village

Contact Officer: Liam Gordon, (07) 3035 1846
Requested by: N/A
Record No: TRY-03339
Date: 15 March 2013
Date Approval Required By: 20/03/2013

PURPOSE

1. The purpose of this submission is to seek your endorsement of the proposed model for funding the development of the Parklands Commonwealth Games Village (the ‘Games Village’).

BACKGROUND

2. Sch.3(2)(1)(b)

3. Preparations for the procurement are ongoing, including the development of a funding model for the Project. As part of this process, you attended a meeting on 28 February 2013, at which Economic Development Queensland (‘EDQ’) presented its proposed funding model.

4. The funding model will form part of a planned Expressions of Interest document (‘EOI’), which EDQ proposes to issue to the market on 4 April 2013. The objectives of the funding model are to lever private sector finance, to utilise private sector development expertise and innovation, and to increase fiscal certainty by limiting the State’s exposure to development risk in relation to the Games Village.

5. In view of the constrained timeline for delivery of the Project, your endorsement of the proposed funding model is requested, to expedite the release of the EOI.

ISSUES

EDQ’s strategy for utilising temporary accommodation during the Games

6. The current draft EOI does not give sufficient prominence to the role of temporary accommodation in the Games Village development. Projects Queensland proposes to recommend to EDQ that greater emphasis be given to this aspect, including that innovative proposals should be sought for cost effective ways to deliver temporary accommodation for the Games Village.

7. The use of temporary accommodation can improve cost certainty and reduce the development’s exposure to price fluctuations in the Gold Coast property market. However, it is inherently challenging to preserve long term value from the use of temporary accommodation: if purchased outright, it may be costly and retain little residual value; if leased, relevant expenditure will represent a sunk cost. Accordingly, the use of temporary accommodation is an aspect of the Project which demands attention to ensure a value for money outcome is achieved.
Funding Model for the Games Village

8. Given the scale of investment required, the Project would not be commercially viable as a stand-alone private sector development. In particular, the following factors may erode market interest in the opportunity:

- the current subdued conditions in the Gold Coast property market;
- the potential negative impact on property values of releasing a large number of properties to the market at one time, at the end of the Games; and
- the limited opportunity for developers to dictate the specifications of the properties, given that their design will be constrained to some extent by the expectations of the Commonwealth Games Federation.

9. The Government has committed to delivering the Project and the start of the Commonwealth Games in mid-2018 represents an absolute deadline for completion of the Games Village.

10. For these reasons, the State will be required to support the Project to generate sufficient market interest in the development and to ensure that the Games Village is delivered on time.

12. Three possible structures through which the State can support the Project have been considered by EDQ, applying the objectives outlined at paragraph 4, above.

Developer contributions approach

13. The first of these structures involved funding being drawn down in tranches, with equity being followed by a Government contribution and then senior debt (this was referred to as the ‘developer contributions approach’). This structure was used as the ‘baseline’ for the Games Village business case, in order to assess the potential fiscal exposure.

Interest underwrite approach

15. The second approach involved the State underwriting interest payments on senior debt in the period during which the developer would be marketing the properties. Further, it was considered that a State guarantee of interest payments alone was unlikely to address the private sector’s concerns regarding the Project. Therefore, this is not the recommended approach.
Debt underwrite approach

16. Under the final model (the 'debt underwrite approach'), developers are required to bid on the basis that they will achieve a certain amount of pre-sales by mid-2017. The State agrees to underwrite these forecast pre-sales and to 'take-out' any remaining debt not covered by actual pre-sales. As property sales are completed during late 2018, a portion of settlement proceeds are paid to the Government until all debt is paid out, with the remainder being paid to senior lenders and equity. Once all debt is paid out, any other proceeds would be paid to the developer (subject to a gain-share mechanism with the State after a certain threshold is reached).

17. This debt underwrite approach is not without risk. Firstly, there is still a risk that the developer may be late in delivering the Games Village or significant cost overruns are experienced. However, these risks are present in all of the funding models considered, and the fact that this structure enables the Project to be fully funded from the beginning should mitigate delay risk, when compared with the developer contribution approach discussed above.

18. Another risk is that limited or no pre-sales are achieved, which could increase the State’s exposure to underwriting the debt. In principle, this risk should be mitigated by the developer's incentive to protect its investment and return, which it can do through maximising the number and value of its pre-sales. If the developer failed to achieve its projected pre-sales, and the State was forced to 'take out' an element of senior debt, the State could avoid carrying an ongoing exposure to the Gold Coast property market by selling its debt holding to other debt providers. This would be at a discount to the face value of the debt but would provide certainty to the State.

19. Based on this analysis, the debt underwrite approach most closely matches the State’s objectives for the funding model. The mitigations identified in relation to each of the risks inherent in this approach appear acceptable in context.

For these reasons, this is the recommended funding model for the Project.

Alternative solutions

20. Under a standard property development commercial structure, a developer is able to draw down funds and commence development only once a certain number of pre-sales are secured. As highlighted above, this kind of approach is not ideal for the Games Village development as it does not ensure that the Project is fully funded up-front, which in turn may undermine confidence regarding delivery on time and to budget. The State should encourage innovative private sector solutions for the Project commercial structure, in particular those where the development is backed by the developer’s balance sheet. This should bolster confidence in timely delivery and potentially enable the State’s financial exposure to be fixed at a reasonable level.

FINANCIAL IMPLICATIONS

21. The scale of funding required to deliver the Games Village has not changed materially since the Business Case.
RECOMMENDATION

22. That you endorse the debt underwrite approach as the funding model for the purposes of the EOI.

23. Note that Projects Queensland will seek to amend the EOI document to encourage developers to propose non-standard approaches to property development, where these could provide the State with enhanced certainty, in terms of both timely delivery and regarding the State's financial exposure.

<table>
<thead>
<tr>
<th>Helen Gliuer</th>
<th>Date / /</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Treasurer</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Approved</th>
<th>Not approved</th>
<th>Noted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Comments</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tim Nicholls</th>
<th>Date / /</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasurer and Minister for Trade</td>
<td></td>
</tr>
</tbody>
</table>

---

**Action Officer/Author:** Simon Fraser  
**Director:** Liam Gordon  
**ED/AUT:** Dave Stewart  
**OUT:**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Branch/Division:</th>
<th>Telephone:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simon Fraser</td>
<td>Projects Queensland</td>
<td>3035 1440</td>
<td>/ /</td>
</tr>
<tr>
<td>Liam Gordon</td>
<td>Projects Queensland</td>
<td>3035 1849</td>
<td>/ /</td>
</tr>
<tr>
<td>Dave Stewart</td>
<td>Projects Queensland</td>
<td>3035 1988</td>
<td>/ /</td>
</tr>
</tbody>
</table>

* This officer may be required to provide further detailed information regarding the issue
Pages 1235 through 1272 redacted for the following reasons:

- Contrary to Public Interest
  Sch.3(2)(a)
  Sch.3(2)(b)
  Sch.3(3)

RTI RELEASE