

Page 1 redacted for the following reason:

Exempt Sch.3(2)(1)(a) Consideration of Cabinet (333 pages)

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Kaley Fox

From: Grant Stidiford
Sent: Thursday, 5 September 2013 12:43 PM
To: David Hourigan
Cc: Davinia Pearkes
Subject: RE: CBRC

Follow Up Flag: Follow up
Flag Status: Completed

David – notwithstanding your email confirming that nothing further is needed at this time, please see below information just in case. I have discussed the below info with Davinia.

Get better soon.

Grant

Grant Stidiford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 340 56208 | e-mail: grant.stidiford@premiers.qld.gov.au



Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration



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Kaley Fox

From: David Hourigan
Sent: Thursday, 5 September 2013 12:26 PM
To: Grant Stidiford; Jon Grayson
Cc: Davinia Pearkes
Subject: Re: CBRC

Follow Up Flag: Follow up
Flag Status: Completed

Grant excellent. Thanks I have cc the DG and below is all he needs for cbrc I think. Bit of a non issue so the further investigation should be sufficient for all I'd have thought

Ta

Sent from my iPhone

On 05/09/2013, at 12:21 PM, "Grant Stidiford" <Grant.Stidiford@premiers.qld.gov.au> wrote:

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration



I am just tidying up an email which I will send through for your review prior to getting it up to Jon.

Sorry that we are getting in the way of your resting and getting better.

Grant

From: David Hourigan
Sent: Thursday, 5 September 2013 10:08 AM
To: Grant Stidiford

Cc: Davinia Pearkes
Subject: Re: CBRC

Enough for you and divinia to make a case with John stanno

Sent from my iPhone

On 05/09/2013, at 9:14 AM, "Grant Stidiford" <Grant.Stidiford@premiers.qld.gov.au> wrote:

How much information are you after?

From: David Hourigan
Sent: Thursday, 5 September 2013 8:29 AM
To: Grant Stidiford; Davinia Pearkes
Subject: Fwd: CBRC

Can you get back to me on this
Ta

Sent from my iPhone

Begin forwarded message:

From: John Strano <John.Strano@dsdip.qld.gov.au>
Date: 5 September 2013 8:27:24 AM AEST
To: David Hourigan <David.Hourigan@premiers.qld.gov.au>
Subject: FW: CBRC

David
Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

Regards

John Strano
Special Advisor
Office of the Director-General
Department of State Development, Infrastructure and Planning
Queensland Government

tel +61 7 3836 0994 (Ext 60994)

fax +61 7 3224 4683


mob S.73 Telephone Num

post PO Box 15009 City East Qld 4002

visit Level 12, 100 George Street, Brisbane

john.strano@dsdip.qld.gov.au

www.dsdip.qld.gov.au

 Please consider the environment before printing this email

Great State. Great Opportunity

From: David Harmer
Sent: Wednesday, 4 September 2013 5:44 PM
To: John Strano
Cc: Alex Ackfun; Ross Alcorn; Sandy Williams; Colin Cassidy
Subject: CBRC

<<Document2.doc>>
John

Please find a draft CBRC briefing note attached for your consideration.
Alex has reviewed this.

Regards

David Harmer
Policy Manager

Released under RTI - DPC

Kaley Fox

From: Grant Stidiford
Sent: Thursday, 5 September 2013 12:21 PM
To: David Hourigan
Cc: Davinia Pearkes
Subject: RE: CBRC

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Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

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To: David Hourigan <David.Hourigan@premiers.qld.gov.au>
Subject: FW: CBRC

David

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

Regards

John Strano
Special Advisor
Office of the Director-General
Department of State Development, Infrastructure and Planning
Queensland Government

tel +61 7 3836 0994 (Ext 60994)

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Cc: Alex Ackfun; Ross Alcorn; Sandy Williams; Colin Cassidy
Subject: CBRC

<<Document2.doc>>

John

Please find a draft CBRC briefing note attached for your consideration. Alex has reviewed this.

Regards

David Harmer
Policy Manager

Released under RTI - DPC

Kaley Fox

From: Grant Stidiford
Sent: Thursday, 5 September 2013 11:43 AM
To: Davinia Pearkes
Subject: RE: CBRC-in-Confidence: [REDACTED]

Follow Up Flag: Follow up
Flag Status: Completed

Nope – have called his office twice and left two messages. I have also left a voicemail on his mobile phone.

From: Davinia Pearkes
Sent: Thursday, 5 September 2013 11:38 AM
To: Grant Stidiford
Subject: FW: CBRC-in-Confidence: [REDACTED]

Grant

Can you also advise of outcome of discussion with John S. – assuming this has occurred.

Davinia Pearkes
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 3224 6894 | e-mail: davinia.pearkes@premiers.qld.gov.au



From: Grant Stidiford
Sent: Thursday, 5 September 2013 11:16 AM
To: Davinia Pearkes
Subject: CBRC-in-Confidence: [REDACTED]

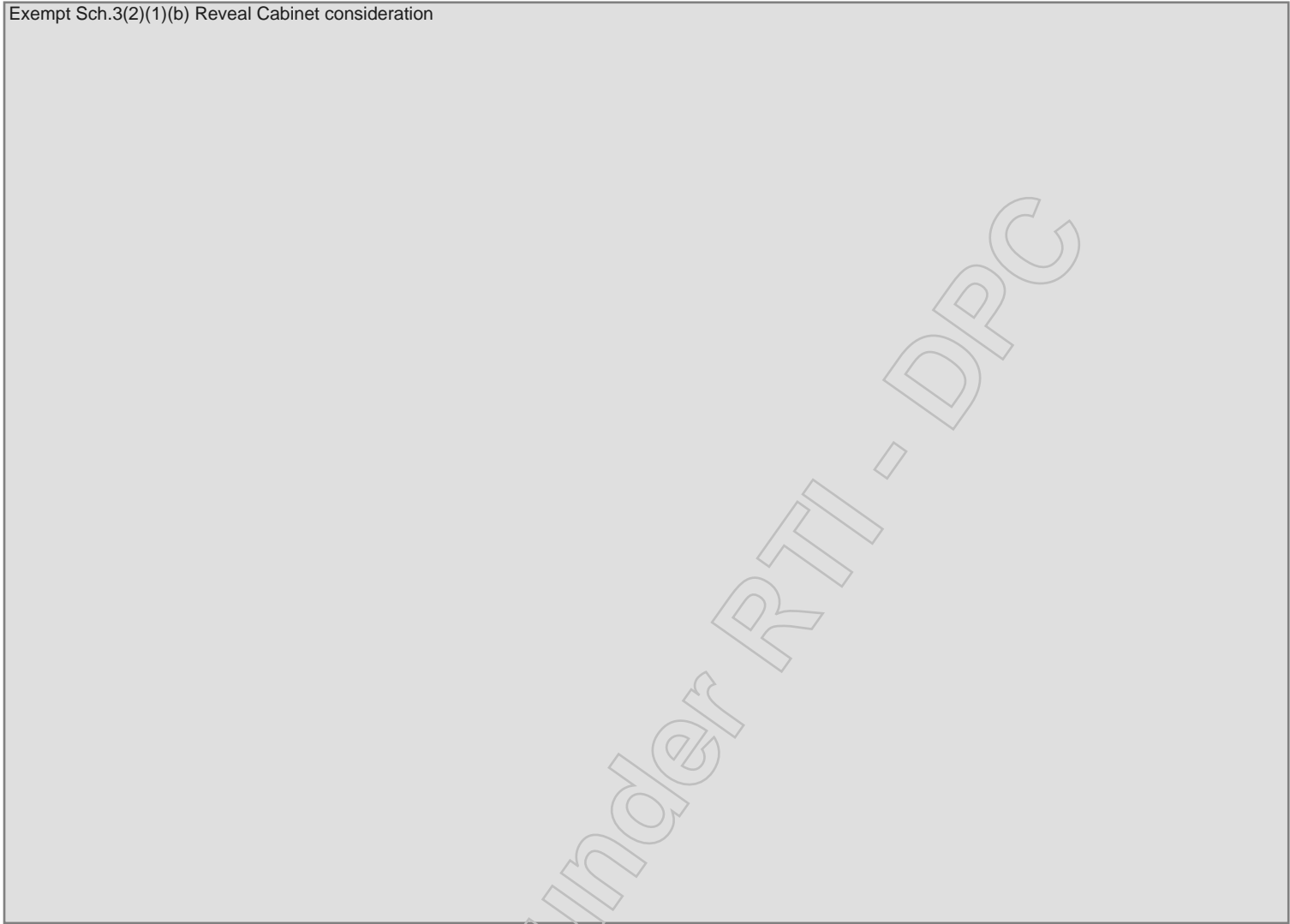
Davinia,

Please see proposed email to the DG below. If you are ok with it, can you please also get David's endorsement.

Grant

Jon,

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration



Grant

Grant Stidford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 340 56208 | e-mail: grant.stidford@premiers.qld.gov.au



Released under RTI - DPC

Kaley Fox

From: Davinia Pearkes
Sent: Thursday, 5 September 2013 11:34 AM
To: Grant Stidiford
Subject: RE: CBRC-in-Confidence: [REDACTED]

Follow Up Flag: Follow up
Flag Status: Completed

[REDACTED]

Davinia Pearkes
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 3224 6894 | e-mail: davinia.pearkes@premiers.qld.gov.au



From: Grant Stidiford
Sent: Thursday, 5 September 2013 11:16 AM
To: Davinia Pearkes
Subject: CBRC-in-Confidence: [REDACTED]

Davinia,

Please see proposed email to the DG below. If you are ok with it, can you please also get David's endorsement.

Grant

Jon,

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration



Grant

Grant Stidford

Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 340 56208 | e-mail: grant.stidford@premiers.qld.gov.au



Released under RTI - DPC

Kaley Fox

From: Grant Stidiford
Sent: Thursday, 5 September 2013 11:16 AM
To: Davinia Pearkes
Subject: CBRC-in-Confidence: [REDACTED]
[REDACTED]

Follow Up Flag: Follow up
Flag Status: Completed

Davinia,

Please see proposed email to the DG below. If you are ok with it, can you please also get David's endorsement.

Grant

Jon,

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

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Grant

Grant Stidford

Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 340 56208 | e-mail: grant.stidford@premiers.qld.gov.au



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Kaley Fox

From: Davinia Pearkes
Sent: Thursday, 5 September 2013 10:28 AM
To: Grant Stidiford
Subject: FW: CBRC

FYI

Davinia Pearkes
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 3224 6894 | e-mail: davinia.pearkes@premiers.qld.gov.au



From: Davinia Pearkes
Sent: Thursday, 5 September 2013 10:28 AM
To: David Hourigan
Subject: RE: CBRC

David

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

We will let you know how the conversation goes with John, and give you an opportunity to review the email to the DG prior to sending.

Regards.

Davinia Pearkes
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 3224 6894 | e-mail: davinia.pearkes@premiers.qld.gov.au



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Cc: Davinia Pearkes
Subject: Re: CBRC

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To: Grant Stidiford; Davinia Pearkes
Subject: Fwd: CBRC

Can you get back to me on this
Ta

Sent from my iPhone

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Date: 5 September 2013 8:27:24 AM AEST
To: David Hourigan <David.Hourigan@premiers.qld.gov.au>
Subject: FW: CBRC

David

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

Regards

John Strano
Special Advisor
Office of the Director-General
Department of State Development, Infrastructure and Planning
Queensland Government

tel +61 7 3836 0994 (Ext 60994)

fax +61 7 3224 4683


mob S.73 Telephone Nu

post PO Box 15009 City East Qld 4002

visit Level 12, 100 George Street, Brisbane

~~john.strano@dsdip.qld.gov.au~~

~~www.dsdip.qld.gov.au~~

 Please consider the environment before printing this email

Great State. Great Opportunity

From: David Harmer
Sent: Wednesday, 4 September 2013 5:44 PM
To: John Strano
Cc: Alex Ackfun; Ross Alcorn; Sandy Williams; Colin Cassidy
Subject: CBRC

<<Document2.doc>>

John

Please find a draft CBRC briefing note attached for your consideration. Alex has reviewed this.

Regards

David Harmer
Policy Manager

Released under RTI - DPC

Kaley Fox

From: David Hourigan
Sent: Thursday, 5 September 2013 8:29 AM
To: Grant Stidiford; Davinia Pearkes
Subject: Fwd: CBRC
Attachments: Document2.doc; ATT00001.htm

Follow Up Flag: Follow up
Flag Status: Completed

Can you get back to me on this
Ta

Sent from my iPhone

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
David

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

Regards

John Strano
Special Advisor
Office of the Director-General
Department of State Development, Infrastructure and Planning
Queensland Government

tel +61 7 3836 0994 (Ext 60994)
fax +61 7 3224 4683
mob [S.73 Telephone N](tel:0732244683)
post PO Box 15009 City East Qld 4002
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john.strano@dsdip.qld.gov.au
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<<Document2.doc>>

John

Please find a draft CBRC briefing note attached for your consideration. Alex has reviewed this.

Regards

David Harmer
Policy Manager

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Page 21 redacted for the following reason:

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

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Kaley Fox

From: Davinia Pearkes
Sent: Wednesday, 4 September 2013 5:11 PM
To: Grant Stidiford
Subject: URGENT: Pls call John Strano re long distance transport 3836 0994.

Grant

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

Ta!

Davinia Pearkes
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 3224 6894 | e-mail: davinia.pearkes@premiers.qld.gov.au



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Kaley Fox

From: Grant Stidiford
Sent: Wednesday, 4 September 2013 4:00 PM
To: 'John.Gebbett@treasury.qld.gov.au'; Trevor Dann
Cc: Davinia Pearkes
Subject: CBRC-in-Confidence: [REDACTED]
Attachments: CBRC Final - Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration
CBRC Final - [REDACTED]

Gentlemen,

FYI, please find attached copies of DPC's Yellow's (signed by David) for the two submissions proposed for consideration tomorrow.

Grant

Grant Stidiford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 340 56208 | e-mail: grant.stidiford@premiers.qld.gov.au



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Pages 24 through 27 redacted for the following reasons:

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

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Kaley Fox

From: Matthew.C.Doonan@tmr.qld.gov.au
Sent: Tuesday, 27 August 2013 12:39 PM
To: Grant Stidiford; Trevor Dann
Cc: cilo@tmr.qld.gov.au
Subject: Confidential Cabinet Related Document - Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration
[Redacted]

Attachments: Version 2 combined.pdf

Good Afternoon

Please find attached the most recent version of the [Redacted]

This version is now progressing through internal approval processes for advance lodgement.

(See attached file: Version 2 combined.pdf)

Regards,

Matt Doonan
Cabinet Support Officer | Cabinet Legislation and Liaison Office | Executive Services
Human Resources and Governance Branch | Department of Transport and Main Roads

P: (07) 306 67041 | F: (07) 3306 7055 | E: matthew.doonan@tmr.qld.gov.au | cilo@tmr.qld.gov.au

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Kaley Fox

From: Rose, Suzanne [suzanne.rose@translink.com.au]
Sent: Friday, 23 August 2013 3:52 PM
To: Grant Stidiford
Cc: Davinia Pearkes; 'John.Gebbett@treasury.qld.gov.au'; David Hourigan; Milward, Peter; Lewis, Belinda; Kaden, Daniel
Subject: RE: CONFIDENTIAL: Review of long distance passenger services


Thanks Grant. We'll be in touch if we have questions.

Regards

Suzanne Rose
Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
t 07 3338 4222 | f 33384600 | m S.73 Telephone
e Suzanne.Rose@translink.com.au
w www.translink.com.au w www.tmr.qld.gov.au



 Please consider the environment before printing this email.

From: Grant Stidiford [mailto:Grant.Stidiford@premiers.qld.gov.au]
Sent: Friday, 23 August 2013 15:20
To: Rose, Suzanne
Cc: Davinia Pearkes; 'John.Gebbett@treasury.qld.gov.au'; David Hourigan; Milward, Peter; Lewis, Belinda; Kaden, Daniel
Subject: FW: CONFIDENTIAL: Review of long distance passenger services

Hi Suzanne,

Thanks for sending through a copy of the draft submission Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration
 for comment. Please see attached DPC comments.

Please let me know if you would like to discuss the feedback provided, or if I can provide any clarification.

Grant

Grant Stidiford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane
Phone: 07 340 56208 | e-mail: grant.stidiford@premiers.qld.gov.au



From: Rose, Suzanne [mailto:suzanne.rose@translink.com.au]
Sent: Monday, 19 August 2013 5:22 PM
To: Tracey O'Meara; Trevor Dann

Cc: Matthew Longland; Milward, Peter; Lewis, Belinda; Kaden, Daniel
Subject: CONFIDENTIAL: Review of long distance passenger services

Trevor and Tracey

Please find attached the draft CBRC submission relating to Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration As you know, this submission is connected to [REDACTED] and is scheduled for CBRC consideration in the near future.

Can you please provide your feedback on the draft submission to me by COB Thursday 22 August 2013. We would be happy to meet to discuss the submission if you wish.

Regards

Suzanne Rose
Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
t 07 3338 4222 | f 33384600 | m S.73 Telephone
e Suzanne.Rose@translink.com.au
w www.translink.com.au w www.tmr.qld.gov.au



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Kaley Fox

From: Grant Stidiford
Sent: Friday, 23 August 2013 3:42 PM
To: 'John.Gebbett@treasury.qld.gov.au'
Subject: RE: FW: CONFIDENTIAL: Review of long distance passenger services

No worries John – let me know if you want to have a chat about our feedback.

From: John.Gebbett@treasury.qld.gov.au [mailto:John.Gebbett@treasury.qld.gov.au]
Sent: Friday, 23 August 2013 3:39 PM
To: Grant Stidiford
Subject: Re: FW: CONFIDENTIAL: Review of long distance passenger services

Thank you Grant.

From: Grant Stidiford <Grant.Stidiford@premiers.qld.gov.au>
To: "'Rose, Suzanne'" <suzanne.rose@translink.com.au>,
Cc: Davinia Pearkes <Davinia.Pearkes@premiers.qld.gov.au>, "John.Gebbett@treasury.qld.gov.au" <John.Gebbett@treasury.qld.gov.au>, David Hourigan <David.Hourigan@premiers.qld.gov.au>, "Milward, Peter" <peter.milward@translink.com.au>, "Lewis, Belinda" <Belinda.Lewis@translink.com.au>, "Kaden, Daniel" <Daniel.Kaden@translink.com.au>
Date: 23/08/2013 03:20 PM
Subject: FW: CONFIDENTIAL: Review of long distance passenger services

Hi Suzanne,

Thanks for sending through a copy of the draft submission Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration for comment. Please see attached DPC comments.

Please let me know if you would like to discuss the feedback provided, or if I can provide any clarification.

Grant

Grant Stidiford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 340 56208 | e-mail: grant.stidiford@premiers.qld.gov.au



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Suzanne Rose
Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

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t 07 3338 4222 | f 33384600 | m ^{S.73 Telephone}
e Suzanne.Rose@translink.com.au
w www.translink.com.au w www.tmr.qld.gov.au



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[attachment "CBRC Review of long distance services_draft for consultation.doc" deleted by

John Gebbett/TO/QTreasury] [attachment "DPC feedback - draft Review of long distance passenger transport services in Queensland.docx" deleted by John Gebbett/TO/QTreasury]

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Kaley Fox

From: John.Gebbett@treasury.qld.gov.au
Sent: Friday, 23 August 2013 3:39 PM
To: Grant Stidiford
Subject: Re: FW: CONFIDENTIAL: Review of long distance passenger services

Thank you Grant.

From: Grant Stidiford <Grant.Stidiford@premiers.qld.gov.au>
To: "Rose, Suzanne" <suzanne.rose@translink.com.au>,
Cc: Davinia Pearkes <Davinia.Pearkes@premiers.qld.gov.au>, "John.Gebbett@treasury.qld.gov.au" <John.Gebbett@treasury.qld.gov.au>, David Hourigan <David.Hourigan@premiers.qld.gov.au>, "Milward, Peter" <peter.milward@translink.com.au>, "Lewis, Belinda" <Belinda.Lewis@translink.com.au>, "Kaden, Daniel" <Daniel.Kaden@translink.com.au>
Date: 23/08/2013 03:20 PM
Subject: FW: CONFIDENTIAL: Review of long distance passenger services

Hi Suzanne,

Thanks for sending through a copy of the draft submission [redacted] Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration [redacted] for comment. Please see attached DPC comments.

Please let me know if you would like to discuss the feedback provided, or if I can provide any clarification.

Grant

Grant Stidiford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 340 56208 | e-mail: grant.stidiford@premiers.qld.gov.au



From: Rose, Suzanne [mailto:suzanne.rose@translink.com.au]
Sent: Monday, 19 August 2013 5:22 PM
To: Tracey O'Meara; Trevor Dann
Cc: Matthew Longland; Milward, Peter; Lewis, Belinda; Kaden, Daniel
Subject: CONFIDENTIAL: Review of long distance passenger services

Trevor and Tracey

Please find attached the draft CBRC submission relating to [redacted] As you know, this submission is connected to [redacted] and is scheduled for CBRC consideration in the near future.

Can you please provide your feedback on the draft submission to me by COB Thursday 22 August 2013. We would be happy to meet to discuss the submission if you wish.

Regards

Suzanne Rose
Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
t 07 3338 4222 | f 33384600 | m S.73 Telephone
e Suzanne.Rose@translink.com.au
w www.translink.com.au w www.tmr.qld.gov.au



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[attachment "CBRC Review of long distance services_draft for consultation.doc" deleted by John Gebbett/TO/QTreasury] [attachment "DPC feedback - draft Review of long distance passenger transport services in Queensland.docx" deleted by John Gebbett/TO/QTreasury]

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Kaley Fox

From: Grant Stidiford
Sent: Friday, 23 August 2013 3:20 PM
To: 'Rose, Suzanne'
Cc: Davinia Pearkes; 'John.Gebbett@treasury.qld.gov.au'; David Hourigan; 'Milward, Peter'; 'Lewis, Belinda'; 'Kaden, Daniel'
Subject: FW: CONFIDENTIAL: Review of long distance passenger services
Attachments: CBRC Exempt Sch.3(2)(1)(b) Reveal Cabinet conf draft for consultation.doc; DPC feedback - draft.doc

Follow Up Flag: Follow up
Flag Status: Completed

Hi Suzanne,

Thanks for sending through a copy of the draft submission [REDACTED]
[REDACTED] for comment. Please see attached DPC comments.

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Grant

Grant Stidiford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 340 56208 | e-mail: grant.stidiford@premiers.qld.gov.au



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Trevor and Tracey

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Regards

Suzanne Rose
Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
t 07 3338 4222 | f 33384600 | m S.73 Telephone
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Kaley Fox

From: Grant Stidiford
Sent: Friday, 23 August 2013 2:45 PM
To: Pamela Muir; Davinia Pearkes
Cc: Graham Marshall
Subject: RE: TMR hot issues briefs for DQ briefing packs for Ministers

Pam – the Long Distance Review brief is fine. The majority of the other briefs are Graham's, and Davinia will need to look at the Bruce Highway and Warrego Highway briefs respectively.

Grant

From: Pamela Muir
Sent: Friday, 23 August 2013 1:57 PM
To: Davinia Pearkes
Cc: Graham Marshall; Grant Stidiford
Subject: FW: TMR hot issues briefs for DQ briefing packs for Ministers

Davinia and team,
Need your assistance this afternoon, please.
PO has had some issues with some of the hot issues briefs that DTESB coordinated for Tuesday's tourism conference.

Can you please review the DTMR and DSDIP related briefs and let me know if there are any mistakes or wording that should be changed?

THANKS!

Pamela Muir

Director | Economic Policy | Department of the Premier and Cabinet
Phone: +61-7-3836 0989 | Short Dial: 60989 | Mobile: S.73 Telephone

Queensland. Great State. Great Opportunity

From: STEEL Jacqueline [<mailto:Jacqueline.Steel@dtesb.qld.gov.au>]
Sent: Friday, 23 August 2013 12:03 PM
To: John Glaister (Parks, Recreation, Sport and Racing); Greentree Anne; miles.z.vass@tmr.qld.gov.au; dennis.j.walsh@tmr.qld.gov.au; Joanna Robinson; tim.maloney@dete.qld.gov.au; geoff.favell@dete.qld.gov.au; HANLEY, Ross; 'Lone Keast' (lone.keast@arts.qld.gov.au); Glen Fuller; linda.woo@justice.qld.gov.au; martin.scott@justice.qld.gov.au; eunice.chai@justice.qld.gov.au; Pamela Muir; Jamie.Merrick@dsdip.qld.gov.au; ANDREWS Rebecca; Stuart.Pickering@dsdip.qld.gov.au; Buckler, Sarah (Sarah.Buckler@deedi.qld.gov.au)
Cc: Katrina Johnson (Tourism and Major Events); Paul Martyn; CALLAGHAN Tony; Sauer Kenneth; Kathy Schaefer (Kathy.Schaefer@dsdip.qld.gov.au)
Subject: DQ briefing packs for Ministers

Colleagues

Briefing packs are currently being delivered to Ministers for the *DestinationQ* Forum next week. Attached are copies of all the documents provided to Ministers for your information. Please use this material (such as attendance lists, briefings etc) with discretion.

Katrina – this information will come up to Richard in hard copy later today.

If you have any questions, please contact me on the number below or Paul Martyn on 322 58210.

9. Partnership report http://www.destq.com.au/_data/assets/pdf_file/0005/92498/2555_DestQ_Report_WEB.pdf

10. DQ Forum Workbook <http://www.destq.com.au/2013-forum>

These are the Hot issues briefs (item 7)

Markets

Iconic Experiences

Investment and Access

Nature and Culture

Quality, service and innovation

Strong partnerships

Regards

Jacki Steel, Director 20 Year Tourism Plan

Tourism Division

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

Level 20, 111 George St, Brisbane Queensland 4000

PO Box 15168, City East Queensland 4002

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Kaley Fox

From: Grant Stidiford
Sent: Thursday, 22 August 2013 5:59 PM
To: 'Rose, Suzanne'; 'John.Gebbett@treasury.qld.gov.au'
Cc: Matthew Longland; 'Milward, Peter'; 'Lewis, Belinda'; 'Kaden, Daniel'; Trevor Dann; 'michael.eickenloff@treasury.qld.gov.au'; Davinia Pearkes
Subject: RE: CONFIDENTIAL: Review of long distance passenger services

Hi Suzanne,

I have just gone over some things with David and will have info back to you tomorrow morning (certainly by lunchtime all going to plan).

Grant

From: Rose, Suzanne [mailto:suzanne.rose@translink.com.au]
Sent: Thursday, 22 August 2013 5:27 PM
To: John.Gebbett@treasury.qld.gov.au
Cc: Matthew Longland; Milward, Peter; Lewis, Belinda; Kaden, Daniel; Trevor Dann; michael.eickenloff@treasury.qld.gov.au; Grant Stidiford
Subject: RE: CONFIDENTIAL: Review of long distance passenger services

Thanks John. We'll be in touch if we wish to discuss further.

Regards

Suzanne Rose
Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
t 07 3338 4222 | f 33384600 | m S.73 Telephone
e Suzanne.Rose@translink.com.au
w www.translink.com.au w www.tmr.qld.gov.au



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From: John.Gebbett@treasury.qld.gov.au [mailto:John.Gebbett@treasury.qld.gov.au]
Sent: Thursday, 22 August 2013 17:21
To: Rose, Suzanne
Cc: Longland, Matthew; Milward, Peter; Lewis, Belinda; Kaden, Daniel; Trevor.Dann@treasury.qld.gov.au; michael.eickenloff@treasury.qld.gov.au; grant.stidiford@premiers.qld.gov.au
Subject: Fw: CONFIDENTIAL: Review of long distance passenger services

Suzanne

Please find our comments attached.

Please contact me if you have any queries; we would be happy to meet to discuss the points raised if TMR considers that would be of assistance.

regards

John Gebbett



QUEENSLAND
GOVERNMENT

John Gebbett
Principal Treasury Analyst
Transport and Main Roads Team
Transport Group 1 Fiscal 1 Queensland Treasury and Trade
Phone: 07-3035 1486
Email: John.Gebbett@treasury.qld.gov.au
Website: <http://www.treasury.qld.gov.au>
Level 10, Executive Building, 100 George Street, BNE QLD 4000

----- Forwarded by John Gebbett/TO/QTreasury on 22/08/2013 05:17 PM -----

From: Trevor Dann/TO/QTreasury
To: John Gebbett/TO/QTreasury@QTreasury,
Cc: Michael Eickenloff/TO/QTreasury@QTreasury
Date: 20/08/2013 08:25 AM
Subject: Fw: CONFIDENTIAL: Review of long distance passenger services

John

For your review and comment please

Trevor

----- Forwarded by Trevor Dann/TO/QTreasury on 20/08/2013 08:24 AM -----

From: "Rose, Suzanne" <suzanne.rose@translink.com.au>
To: "Tracey O'Meara" <Tracey.O'Meara@premiers.qld.gov.au>, Trevor Dann <trevor.dann@treasury.qld.gov.au>,
Cc: "Longland, Matthew" <matthew.longland@translink.com.au>, "Milward, Peter" <peter.milward@translink.com.au>, "Lewis, Belinda" <Belinda.Lewis@translink.com.au>, "Kaden, Daniel" <Daniel.Kaden@translink.com.au>
Date: 19/08/2013 05:27 PM
Subject: CONFIDENTIAL: Review of long distance passenger services

Trevor and Tracey

Please find attached the draft CBRC submission relating to Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration and is scheduled for CBRC consideration in the near future. As you know, this submission is connected to [REDACTED]

Can you please provide your feedback on the draft submission to me by COB Thursday 22 August 2013. We would be happy to meet to discuss the submission if you wish.

Regards

Suzanne Rose
Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

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Cc: Matthew Longland; Milward, Peter; Lewis, Belinda; Kaden, Daniel; Trevor Dann; michael.eickenloff@treasury.qld.gov.au; Grant Stidiford
Subject: RE: CONFIDENTIAL: Review of long distance passenger services

Thanks John. We'll be in touch if we wish to discuss further.

Regards

Suzanne Rose
Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
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Subject: Fw: CONFIDENTIAL: Review of long distance passenger services

Suzanne

Please find our comments attached.

Please contact me if you have any queries; we would be happy to meet to discuss the points raised if TMR considers that would be of assistance.

regards

John Gebbett



John Gebbett
Principal Treasury Analyst
Transport and Main Roads Team
Transport Group | Fiscal | Queensland Treasury and Trade
Phone: 07-3035 1486
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Cc: "Longland, Matthew" <matthew.longland@translink.com.au>, "Milward, Peter" <peter.milward@translink.com.au>, "Lewis, Belinda" <Belinda.Lewis@translink.com.au>, "Kaden, Daniel" <Daniel.Kaden@translink.com.au>
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Regards

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Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

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e Suzanne.Rose@translink.com.au
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Kaley Fox

From: Lewis, Belinda [Belinda.Lewis@translink.com.au]
Sent: Wednesday, 31 July 2013 3:50 PM
To: brooke.morrissy@treasury.qld.gov.au
Cc: Kaden, Daniel; Grant Stidiford; John.Gebbett@treasury.qld.gov.au; John O'connell; Milward, Peter; Rose, Suzanne; Tracey O'Meara; Trevor Dann
Subject: RE: QTT Comment on Review of Long Distance Services

Hi Brooke,

The submission is under consideration by the Minister's office; we'll provide a copy as soon as we can.

Regards

Belinda Lewis
Director Policy and Legislation
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
P: 07 3338 4298 | M: S.73 Telephone N F: 32363159
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-----Original Message-----

From: brooke.morrissy@treasury.qld.gov.au [mailto:brooke.morrissy@treasury.qld.gov.au]
Sent: Wednesday, 31 July 2013 15:47
To: Lewis, Belinda
Cc: Kaden, Daniel; Grant.Stidiford@premiers.qld.gov.au; John.Gebbett@treasury.qld.gov.au; John.O'Connell@treasury.qld.gov.au; Milward, Peter; Rose, Suzanne; Tracey.OMeara@premiers.qld.gov.au; Trevor.Dann@treasury.qld.gov.au
Subject: RE: QTT Comment on Review of Long Distance Services

Good afternoon Belinda,

Just wondering when we are likely to see something on this?

Kind regards,

Brooke Morrissy
Treasury Analyst
Queensland Treasury and Trade
Ph: 07 3035 1481
Email: brooke.morrissy@treasury.qld.gov.au

From: "Lewis, Belinda" <Belinda.Lewis@translink.com.au>
To: "Trevor.Dann@treasury.qld.gov.au" <Trevor.Dann@treasury.qld.gov.au>, "Milward, Peter" <peter.milward@translink.com.au>, "Rose, Suzanne" <suzanne.rose@translink.com.au>, "Kaden, Daniel" <Daniel.Kaden@translink.com.au>,
Cc: "Grant.Stidiford@premiers.qld.gov.au" <Grant.Stidiford@premiers.qld.gov.au>, "Tracey.OMeara@premiers.qld.gov.au" <Tracey.OMeara@premiers.qld.gov.au>,

"brooke.morrissy@treasury.qld.gov.au"
<brooke.morrissy@treasury.qld.gov.au>,
"John.Gebbett@treasury.qld.gov.au"
<John.Gebbett@treasury.qld.gov.au>,
"John.O'Connell@treasury.qld.gov.au"
<John.O'Connell@treasury.qld.gov.au>

Date: 09/07/2013 05:02 PM

Subject: RE: QTT Comment on Review of Long Distance Services

Thanks Trevor,

We'll work through your comments and respond to you accordingly.

Regards

Belinda Lewis
Director Policy and Legislation
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001

P: 07 3338 4298 | M: S.73 Telephone | F: 32363159

E: Belinda.Lewis@translink.com.au

-----Original Message-----

From: Trevor.Dann@treasury.qld.gov.au [
mailto:Trevor.Dann@treasury.qld.gov.au]

Sent: Tuesday, 9 July 2013 16:37

To: Lewis, Belinda; Milward, Peter; Rose, Suzanne; Kaden, Daniel

Cc: Grant.Stidiford@premiers.qld.gov.au; Tracey.OMeara@premiers.qld.gov.au;

brooke.morrissy@treasury.qld.gov.au; John.Gebbett@treasury.qld.gov.au; John.O'Connell@treasury.qld.gov.au

Subject: QTT Comment on Review of Long Distance Services

Good afternoon all,

Based on the verbal update provided by TMR on 4 July in relation to the Review of Long Distance Services, we understand that the findings discussed were still of a preliminary nature. However, we wanted to take the opportunity to provide you with our preliminary comments so that you have an understanding of our position.

GENERAL COMMENTS

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

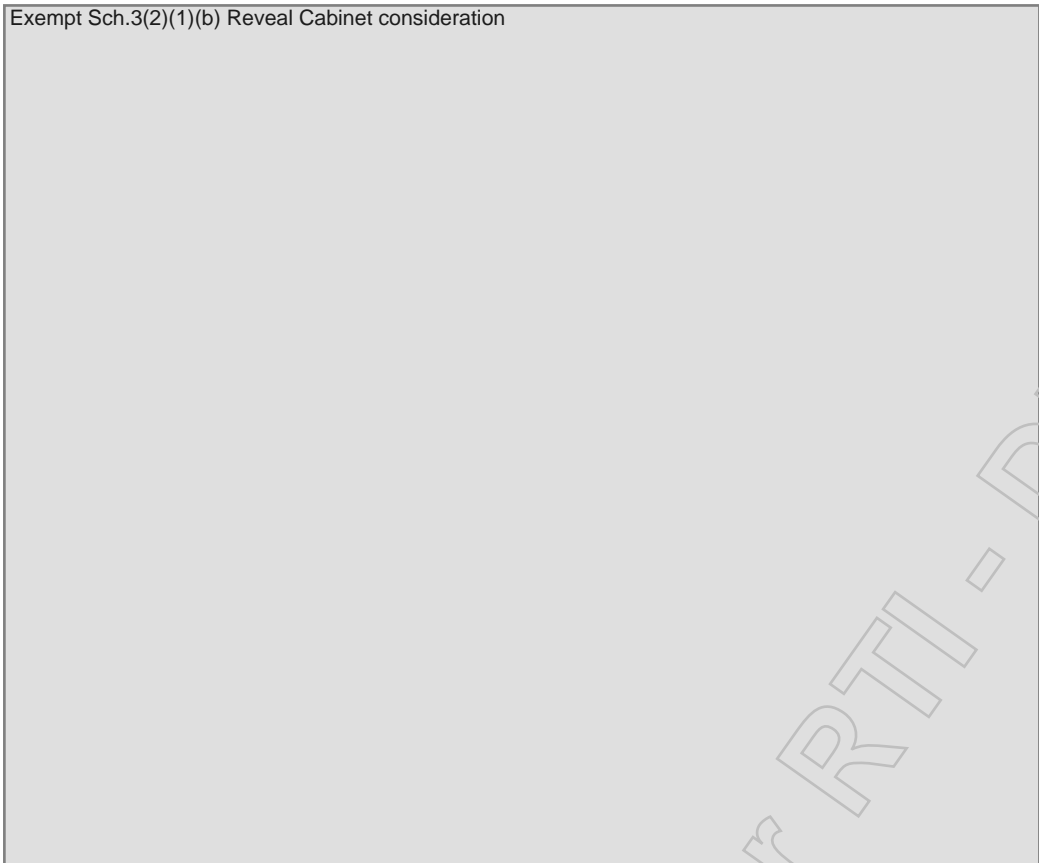


QTT POSITION

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

Released under RTI - DPC

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration



As noted above this is our take on the discussions last week, so please don't hesitate to let us know if we have misinterpreted any of the information provided and/or discussed. We are keen to continue to work with you to progress these reforms and would be happy to further discuss any of the above.

thanks

Trevor

Trevor Dann
Director, Transport and Main Roads
Queensland Treasury and Trade
Phone: (07) 30351453
mailto:trevor.dann@treasury.qld.gov.au

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Released under RTI - DRG

Kaley Fox

From: brooke.morrissy@treasury.qld.gov.au
Sent: Wednesday, 31 July 2013 3:47 PM
To: Lewis, Belinda
Cc: Kaden, Daniel; Grant Stidiford; John.Gebbett@treasury.qld.gov.au; John O'connell; Milward, Peter; Rose, Suzanne; Tracey O'Meara; Trevor Dann
Subject: RE: QTT Comment on Review of Long Distance Services

Good afternoon Belinda,

Just wondering when we are likely to see something on this?

Kind regards,

Brooke Morrissy
Treasury Analyst
Queensland Treasury and Trade
Ph: 07 3035 1481
Email: brooke.morrissy@treasury.qld.gov.au

From: "Lewis, Belinda" <Belinda.Lewis@translink.com.au>
To: "Trevor.Dann@treasury.qld.gov.au" <Trevor.Dann@treasury.qld.gov.au>, "Milward, Peter" <peter.milward@translink.com.au>, "Rose, Suzanne" <suzanne.rose@translink.com.au>, "Kaden, Daniel" <Daniel.Kaden@translink.com.au>,
Cc: "Grant.Stidiford@premiers.qld.gov.au" <Grant.Stidiford@premiers.qld.gov.au>, "Tracey.OMeara@premiers.qld.gov.au" <Tracey.OMeara@premiers.qld.gov.au>, "brooke.morrissy@treasury.qld.gov.au" <brooke.morrissy@treasury.qld.gov.au>, "John.Gebbett@treasury.qld.gov.au" <John.Gebbett@treasury.qld.gov.au>, "John.O'Connell@treasury.qld.gov.au" <John.O'Connell@treasury.qld.gov.au>
Date: 09/07/2013 05:02 PM
Subject: RE: QTT Comment on Review of Long Distance Services

Thanks Trevor,

We'll work through your comments and respond to you accordingly.

Regards

Belinda Lewis
Director Policy and Legislation
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
P: 07 3338 4298 | M: S.73 Telephone N F: 32363159

E: Belinda.Lewis@translink.com.au

-----Original Message-----

From: Trevor.Dann@treasury.qld.gov.au [mailto:Trevor.Dann@treasury.qld.gov.au]

Sent: Tuesday, 9 July 2013 16:37

To: Lewis, Belinda; Milward, Peter; Rose, Suzanne; Kaden, Daniel

Cc: Grant.Stidiford@premiers.qld.gov.au; Tracey.OMeara@premiers.qld.gov.au;

brooke.morrissy@treasury.qld.gov.au; John.Gebbett@treasury.qld.gov.au; John.O'Connell@treasury.qld.gov.au

Subject: QTT Comment on Review of Long Distance Services

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GENERAL COMMENTS

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration



QTT POSITION



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thanks

Trevor

Trevor Dann
Director, Transport and Main Roads
Queensland Treasury and Trade
Phone: (07) 30351453
mailto:trevor.dann@treasury.qld.gov.au

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Kaley Fox

From: Tracey O'Meara
Sent: Wednesday, 17 July 2013 6:05 PM
To: Peter L. Milward
Cc: Grant Stidiford
Subject: Exempt Sch.3(2)(CBRC sub

Peter – do you have a draft of [REDACTED] We just got a copy of the other one going that day.

Tracey O'Meara
Director Economic Policy
Department of the Premier and Cabinet
Telephone +61734056663
Mobile [S.73 Telephone N] [REDACTED]
email tracey.o'meara@premiers.qld.gov.au
web www.premiers.qld.gov.au



Released under RTI - DPC

Kaley Fox

From: Lewis, Belinda [Belinda.Lewis@translink.com.au]
Sent: Tuesday, 9 July 2013 4:55 PM
To: Trevor Dann; Milward, Peter; Rose, Suzanne; Kaden, Daniel
Cc: Grant Stidiford; Tracey O'Meara; brooke.morrissy@treasury.qld.gov.au; John.Gebbett@treasury.qld.gov.au; John O'connell
Subject: RE: QTT Comment on Review of Long Distance Services

Thanks Trevor,

We'll work through your comments and respond to you accordingly.

Regards

Belinda Lewis
Director Policy and Legislation
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
P: 07 3338 4298 | M: S.73 Telephone | F: 32363159
E: Belinda.Lewis@translink.com.au

-----Original Message-----

From: Trevor.Dann@treasury.qld.gov.au [mailto:Trevor.Dann@treasury.qld.gov.au]
Sent: Tuesday, 9 July 2013 16:37
To: Lewis, Belinda; Milward, Peter; Rose, Suzanne; Kaden, Daniel
Cc: Grant.Stidiford@premiers.qld.gov.au; Tracey.OMeara@premiers.qld.gov.au; brooke.morrissy@treasury.qld.gov.au; John.Gebbett@treasury.qld.gov.au; John.O'Connell@treasury.qld.gov.au
Subject: QTT Comment on Review of Long Distance Services

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thanks

Trevor

Trevor Dann
Director, Transport and Main Roads
Queensland Treasury and Trade
Phone: (07) 30351453
mailto:trevor.dann@treasury.qld.gov.au

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Kaley Fox

From: Trevor Dann
Sent: Tuesday, 9 July 2013 4:37 PM
To: Lewis, Belinda; Milward, Peter; Rose, Suzanne; Kaden, Daniel
Cc: Grant Stidford; Tracey O'Meara; brooke.morrissy@treasury.qld.gov.au; John.Gebbett@treasury.qld.gov.au; John O'connell
Subject: QTT Comment on Review of Long Distance Services

Follow Up Flag: Follow up
Flag Status: Completed

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QTT POSITION



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Trevor

Trevor Dann
Director, Transport and Main Roads
Queensland Treasury and Trade
Phone: (07) 30351453
mailto:trevor.dann@treasury.qld.gov.au

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Kaley Fox

From: Kaden, Daniel [Daniel.Kaden@translink.com.au]
Sent: Wednesday, 3 July 2013 12:43 PM
To: Tracey O'Meara; Grant Stidiford; brooke.morrissy@treasury.qld.gov.au; Trevor Dann
Cc: Milward, Peter; Rose, Suzanne; Lewis, Belinda
Subject: Review of Long Distance Services Meeting - Agenda
Attachments: Central Agency Agenda - 4 July.docx; Meeting Paper 1 - Minutes 7 June 2013.docx; Presentation 7 June.pdf

Good Afternoon All,

Please find attached the agenda for tomorrow's meeting on the Review of Long Distance Services. I have also attached the minutes from last meeting (Meeting Paper 1, including the slides that were presented at that meeting).

Regards

Daniel Kaden
Manager (Policy)
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
t 07 3338 4226 | f 32363159
e Daniel.Kaden@translink.com.au
w www.translink.com.au w www.tmr.qld.gov.au



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Agenda

Review of Long Distance Services – Central Agency Meeting

Date 4 July 2013 **Time** 2:00 pm to 3:00 pm

Place Ground Floor Meeting Room (Ascot Room) – 61 Mary Street

Chair Peter Milward – Department of Transport and Main Roads

Minute Taker Daniel Kaden – Department of Transport and Main Roads

Attendees

Suzanne Rose	Department of Transport and Main Roads
Belinda Lewis	Department of Transport and Main Roads
Tracey O'Meara	Department of the Premier and Cabinet
Grant Stidiford	Department of the Premier and Cabinet
Trevor Dann	Queensland Treasury and Trade
Brooke Morrissy	Queensland Treasury and Trade

- | | | |
|----------------------|---|-------------------|
| Agenda item 1 | Minutes from last meeting (Daniel Kaden) | 5 minutes |
| | <i>Meeting Paper 1 – Minutes from 7 June Meeting (including presentation)</i> | |
| Agenda item 2 | Project Update – Activities over last month (Belinda Lewis) | 15 minutes |
| Agenda item 3 | Recommendation Package (Daniel Kaden) | 30 minutes |
| Agenda item 4 | Next Steps – Government Consideration (Suzanne Rose) | 10 minutes |

Minutes

Review of Long Distance Services

Central Agency Meeting

Date 7 June 2013 **Time** 2pm to 3pm
Place Ascot Room, Ground Floor, 61 Mary St, Brisbane
Chair Peter Milward – Department of Transport and Main Roads
Minute taker Daniel Kaden – Department of Transport and Main Roads

Attendees

Suzanne Rose – Department of Transport and Main Roads
Belinda Lewis – Department of Transport and Main Roads
Tracey O’Meara – Department of the Premier and Cabinet
Trevor Dann – Queensland Treasury and Trade
Grant Stidiford – Department of the Premier and Cabinet
Brooke Morrissy – Queensland Treasury and Trade

Apologies

Agenda item 1 Project Update (Attachment 1: Presentation)

Peter Milward advised the group of the project status, including the completion of economic analysis and the work to incorporate the outcomes of consultation activities.

Belinda Lewis provided an overview of the review approach and how the analysis was undertaken.

Daniel Kaden advised of some of the key outputs of the analysis and also provided an overview of some of the key themes to come out of consultation.

Agenda item 2 Next Steps – Policy Work

Belinda Lewis advised that policy work is ongoing in relation to a number of matters and the Department would be consolidating prior to the development of a submission to government.

Agenda item 3 Government Consideration & Rail Futures Project

Suzanne Rose noted the importance of ensuring consistency between the review work and the ongoing Rail Futures project.

Peter Milward noted that engaging the Minister’s Office on the detail would be the key next step in the process.

Trevor Dann stated the importance of the recommendations being presented as a package to government, noting the importance of offsetting certain decisions with reinvestment.

Agenda item 4 Next Meeting – 4 July

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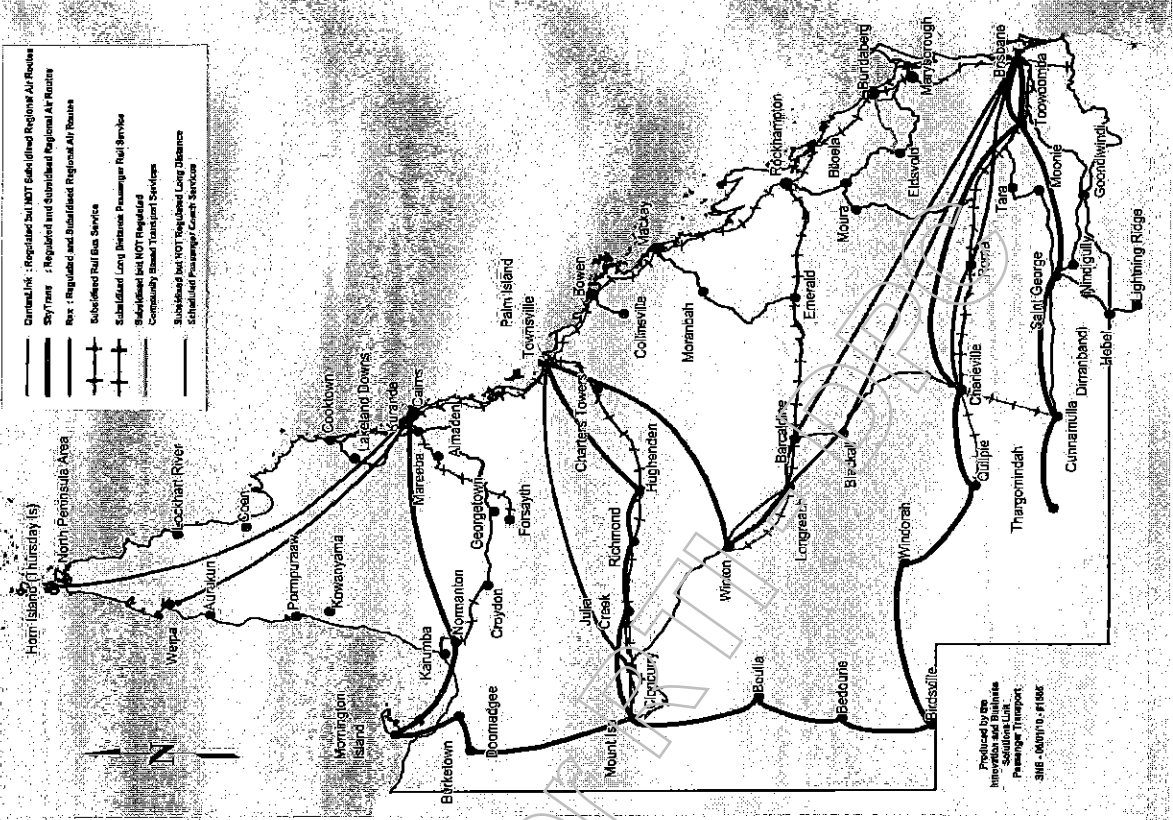
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Review of Long Distance Services

Project Update

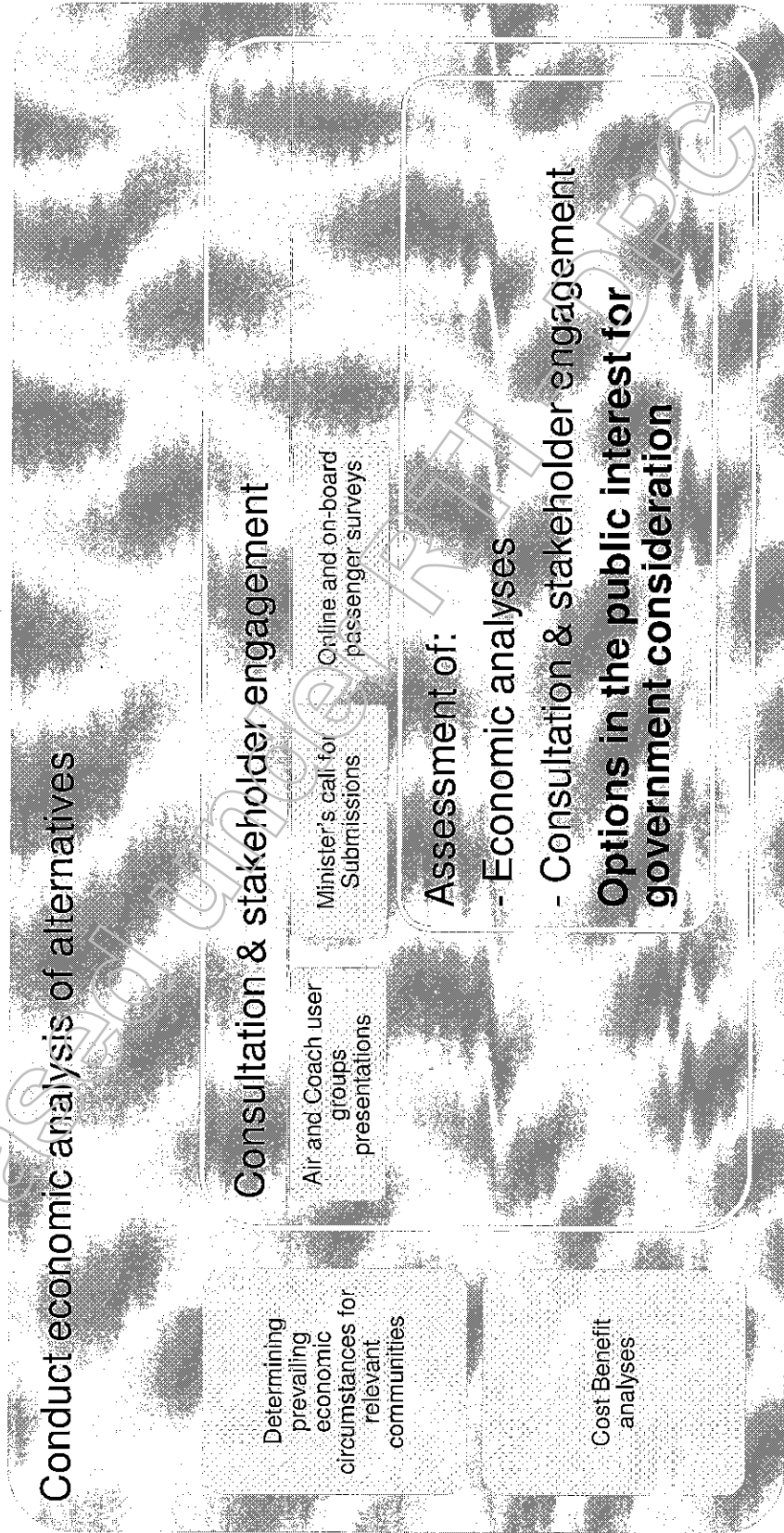
June 2013

The Department of Transport and Main Roads Long Distance Passenger Services

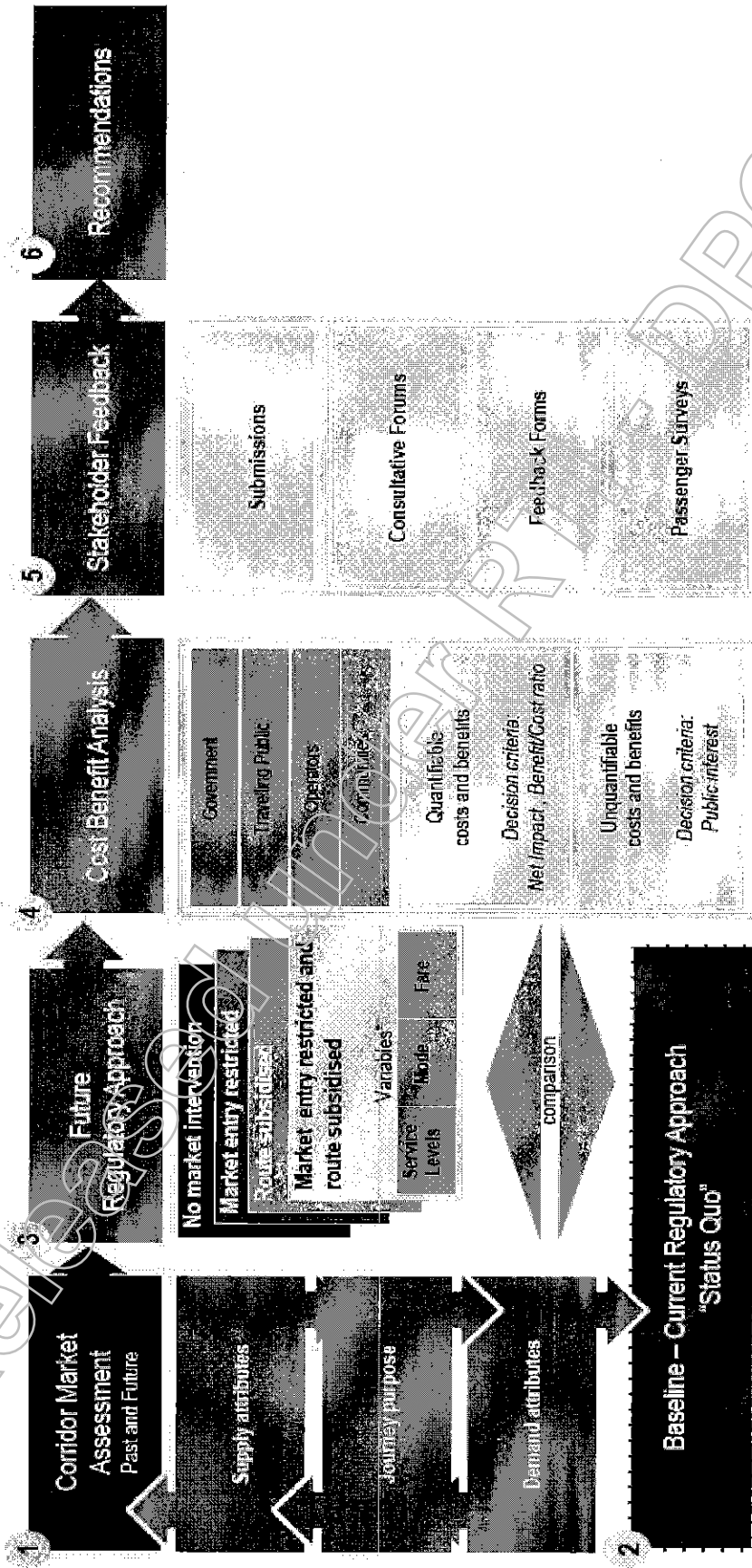


Produced by the
Innovation and Business
Development Unit
Passenger Transport
SHE - Metro - PMR

Key policy analysis and project activities

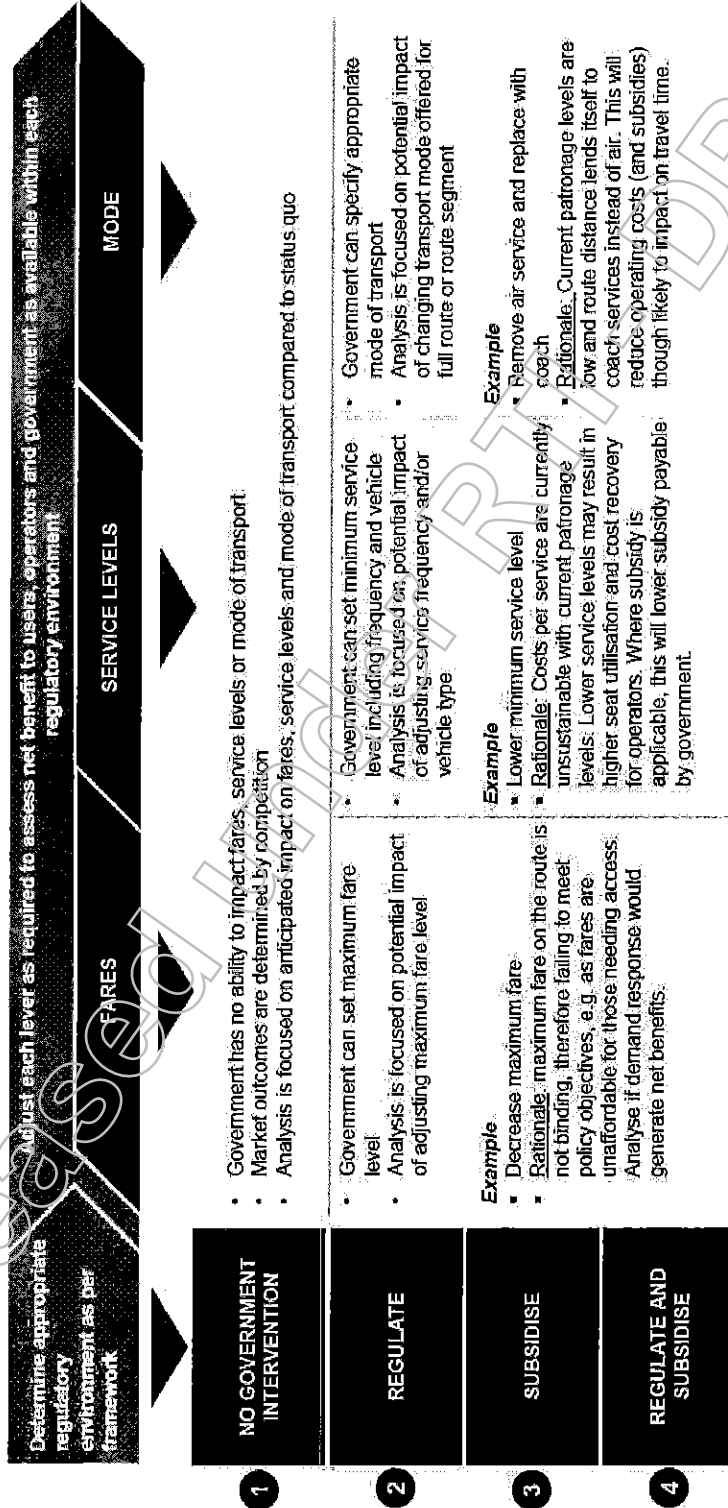


Review Approach



*These variables are 'levers' which can be changed according to the specific circumstances of each route in order to derive the desired policy outcomes in each case

Regulator levers



Consultation Results

Air

- Regulation vs deregulation
- Additional frequencies, scheduling and cost of services.

Coach

- Cheaper alternative form of travel
- Individual service planning and operational issues
- Importance in connecting to services

Rail

- Concern at neglect of system - nostalgia
- Freight
- Cost is now unsustainable

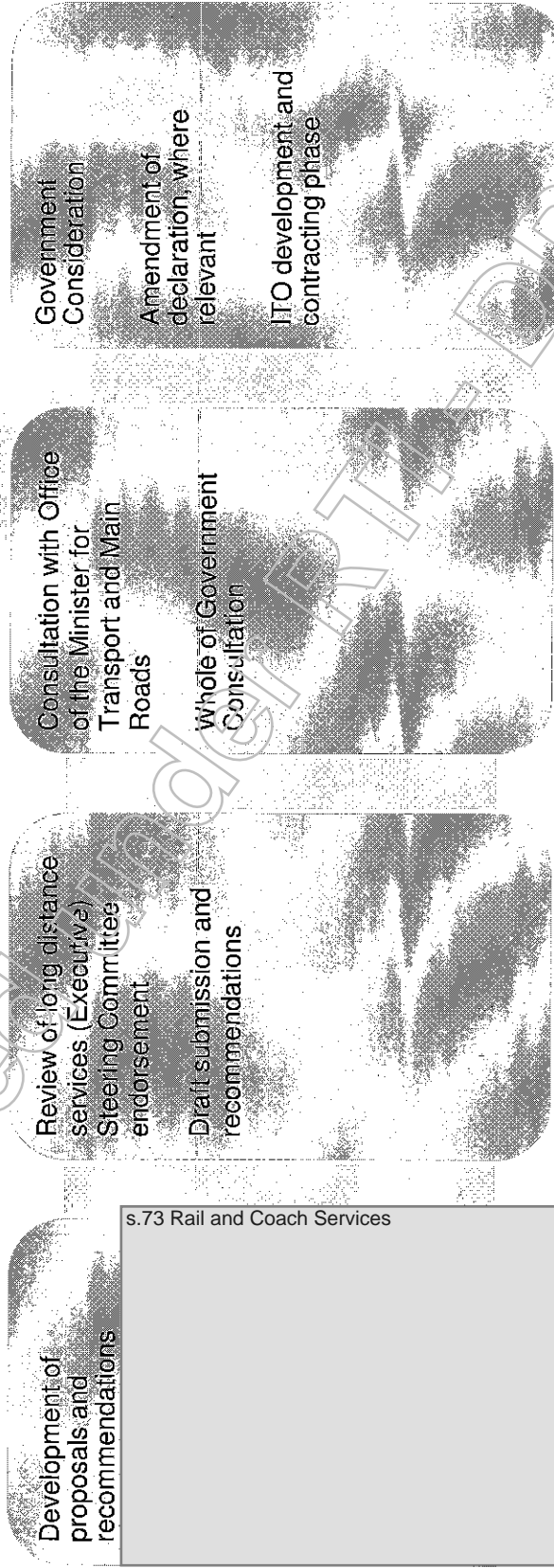
Outputs for further policy development and service planning consideration

Air services

- Remove intervention (market entry restrictions)
 - Central 1; Weipa; and Horn Island
- Additional services
 - Four additional return services per week between Brisbane, Toowoomba and Charleville on Western 2
 - Northern 1 be reviewed to allow longer transfer time at Longreach between Northern 1 & Central 2
- Service adjustments
 - Northern 2 services reduced from three to two return services per week
 - Western 2 is adjusted from twice weekly return services on Sunday & Wednesday to twice weekly return services on Monday and Friday.

s.73 Rail and Coach Service

Next Steps



Kaley Fox

From: Kaden, Daniel [Daniel.Kaden@translink.com.au]
Sent: Friday, 21 June 2013 10:49 AM
To: Grant Stidiford
Subject: RE: Review of Long Distance Services

Hi Grant,

Yes I understand you called to enquire. Yes, Booz & Co. were engaged for both Stages of the work.


All is well, just busy like everyone I guess.

Regards

Daniel Kaden
Manager (Policy)
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
t 07 3338 4226 | f 32363159
e Daniel.Kaden@translink.com.au
w www.translink.com.au w www.tmr.qld.gov.au



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From: Grant Stidiford [<mailto:Grant.Stidiford@premiers.qld.gov.au>]
Sent: Friday, 21 June 2013 10:47
To: Kaden, Daniel
Subject: RE: Review of Long Distance Services

Hi Daniel – I just want to confirm that the consultant for the Long Distance Review is Booz and Co??? I don't have the consultant company in my notes.

Trust that all is well.

Grant

Grant Stidiford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 340 56208 | e-mail: grant.stidiford@premiers.qld.gov.au



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Kaley Fox

From: Kaden, Daniel [Daniel.Kaden@translink.com.au]
Sent: Monday, 3 June 2013 3:33 PM
To: Tracey O'Meara; Grant Stidiford; brooke.morrissy@treasury.qld.gov.au; Trevor Dann
Cc: Lewis, Belinda; Rose, Suzanne; Milward, Peter
Subject: Review of Long Distance Services
Attachments: Central Agency Agenda - 7 June.docx; Minutes 9 May 2013.docx

Good Afternoon,


Please find attached an agenda for this Thursday's meeting. I have also attached a record of our meeting on 9 May.

Regards

Daniel Kaden
A/ Manager (Policy)
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
t 07 3338 4226 | f 32363159
e Daniel.Kaden@translink.com.au
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Date	7 June 2013	Time	2:00 pm to 3:00 pm
Place	Ground Floor Meeting Room (Ascot Room) – 61 Mary Street		
Chair	Peter Milward – Department of Transport and Main Roads		
Minute Taker	Daniel Kaden – Department of Transport and Main Roads		
Attendees			
Suzanne Rose	Department of Transport and Main Roads		
Belinda Lewis	Department of Transport and Main Roads		
Tracey O'Meara	Department of the Premier and Cabinet		
Grant Stidiford	Department of the Premier and Cabinet		
Trevor Dann	Queensland Treasury and Trade		
Brooke Morrissy	Queensland Treasury and Trade		
Agenda item 1	Project Update – Progress of consultancy work (Daniel Kaden)	30 minutes	
Agenda item 2	Next Steps – Policy Work (Belinda Lewis)	20 minutes	
Agenda item 3	Government Consideration & Rail Futures Project (Suzanne Rose)	10 minutes	

Minutes

Review of Long Distance Services

Central Agency Meeting

Date 9 May 2013 **Time** 2pm to 3pm
Place Ascot Room, Ground Floor, 61 Mary St, Brisbane
Chair Suzanne Rose – Department of Transport and Main Roads
Minute taker Daniel Kaden – Department of Transport and Main Roads

Attendees

Tracey O'Meara – Department of the Premier and Cabinet Trevor Dann – Queensland Treasury and Trade

Brooke Morrissy – Queensland Treasury and Trade

Apologies

Grant Stidiford – Department of the Premier and Cabinet

Agenda item 1 Consultation Activities

Daniel Kaden provided a summary of the consultation phase of the review, which was largely completed. This included the receipt of more than 7,000 on board and online passenger surveys, 70 submissions from key stakeholders (as at 9 May) and the completion of 18 user group meetings.

Agenda item 2 Stage 1 Update

Belinda Lewis advised that Stage 1 (economic analyses) had been completed. Consultants undertaking analyses had presented preliminary recommendations to senior executive yesterday.

Agenda item 3 Stage 2 Update

Belinda Lewis outlined how the above consultation activities would feed into the Stage 2 work, which will be commencing on 13 May – 31 May. This work will include an overlay of the economic analyses with the results of consultation. This phase will also consider the impacts of the stage 1 recommendations more broadly and also examine service planning options.

Agenda item 4 Next Steps

Group discussed the importance of interfacing with the Rail Futures work, particularly through the government consideration phase of the review.

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Kaley Fox

From: Grant Stidiford
Sent: Tuesday, 21 May 2013 1:01 PM
To: 'Rose, Suzanne'
Cc: 'Milward, Peter'
Subject: RE: Thursday Is

Thanks Suzanne – will let the relevant area that is dealing with cost of food issues know.

Thanks also for the additional info re: long distance review.

Grant

From: Rose, Suzanne [mailto:suzanne.rose@translink.com.au]
Sent: Tuesday, 21 May 2013 12:52 PM
To: Grant Stidiford
Cc: Milward, Peter
Subject: FW: Thursday Is

Hey Grant


Further to the below, we've also become aware of an issue that the local government has concerns with, namely relating to the transportation and cost of food and other items of freight by sea. This issue falls in Sal Petroccitos' area, so I think it would be worthwhile you contacting him for more info.

Regards

Suzanne Rose
A/Executive Director Service Policy and Investment
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
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e Suzanne.Rose@translink.com.au
w www.translink.com.au w www.tmr.qld.gov.au



 Please consider the environment before printing this email.

From: Rose, Suzanne
Sent: Tuesday, 21 May 2013 11:29
To: 'Grant Stidiford'
Cc: Milward, Peter
Subject: RE: Thursday Is

Grant – dotters as requested. They address consultation with local government on the Review of Long Distance Services, as well as the upcoming deputation with the CEO of Torres Strait Island Regional Council at the community cabinet.

- The Minister for Transport and Main Roads has asked TMR to review long distance air, coach and rail services to ensure the best possible outcome for regional communities. The outcomes of the review will be announced later this year.
- TMR consulted with local government, industry and passengers over the course of the review. The Minister wrote to the Mayor of the Torres Strait Island Regional Council and the Torres Shire Council on 13 February 2013. Neither Council has provided a submission. TMR Officers consulted with key stakeholders, including a representative of the Torres Shire Council, at Thursday Island on 8 April 2013. General themes that were raised were: the scheduling of the air service between Cairns and Horn Island and a request for subsidy for ferry services above what is currently provided (advice was provided that this was outside the scope of the review).
- The Chief Executive Officer of Torres Strait Island Shire Council has requested a formal meeting at the Thursday Island Community Cabinet to discuss: Ugar Access, Regulated and subsidised air services and a feasibility study for ferry services.
- In the Torres Strait, the Department of Transport and Main Roads (TMR) restricts competition on the air route between Horn Island and Cairns but does not subsidise the service that is currently operated by QantasLink. TMR also has a contract with the ferry operator between Seisia and Thursday Island, to reimburse the operator for the revenue foregone in the provision of concessions.
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Regards

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 e Suzanne.Rose@translink.com.au
 w www.translink.com.au w www.tmr.qld.gov.au



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From: Grant Stidiford [<mailto:Grant.Stidiford@premiers.qld.gov.au>]
Sent: Monday, 20 May 2013 17:25
To: Rose, Suzanne
Subject: RE: Thursday Is

Sorry – was actually briefing David on the Fare Path Strategy paper (will send feedback through this evening). And feedback tomorrow morning would be great.

Grant

From: Rose, Suzanne [mailto:suzanne.rose@translink.com.au]
Sent: Monday, 20 May 2013 5:13 PM
To: Grant Stidiford
Subject: Thursday Is

Hey Grant

Tried to call you back but no answer. I can confirm there were no formal submissions from local government/councils in the TS, however, the CEO of the TS regional council has a deputation with our minister at the community cabinet so I would like you provide you with some info on what we understand his issues are.

Will get it to you as early as possible tomorrow morning. Hope this is ok.

Regards

Suzanne Rose
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Kaley Fox

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Kaley Fox

From: Grant Stidford
Sent: Tuesday, 21 May 2013 12:03 PM
To: Tracey O'Meara
Cc: Admin Economic (DPC)
Subject: FW: Thursday Island Community Cabinet - Contentious Issues briefs for review - DTMR (GF22087)
Attachments: Minister for Transport and Main Roads.tr5

Tracey – information received from TMR (added to GF) and proposed briefing note updated on Trim. I will bring a hardcopy down to you now for review.

Grant

From: Admin Economic (DPC)
Sent: Monday, 20 May 2013 9:18 AM
To: @Economic Policy (Policy)
Subject: FW: Thursday Island Community Cabinet - Contentious Issues briefs for review - DTMR (GF22087)

Refer to below email and review.

Sue Lucas
Senior Administration Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane.
Phone: 07 323 96930 | e-mail: susan.lucas@premiers.qld.gov.au



From: Lucy Fraser **On Behalf Of** SABbriefs
Sent: Friday, 17 May 2013 5:07 PM
To: David Hourigan
Cc: Admin Economic (DPC); Mark McCann
Subject: Thursday Island Community Cabinet - Contentious Issues briefs for review - DTMR (GF22087)

Good Afternoon David

The Thursday Island Community Cabinet meeting will be held on 26-27 May 2013.

Departments have prepared briefs on contentious issues from the region for the Premier. The attached TRIM grouping folder contains draft contentious issues briefs relevant to your area.

The following Department of Transport and Main Roads briefs are provided for your review:

- Review of long distance passenger services
- Access to remote communities
- Marine transport infrastructure
- Jardine River Ferry

It would be appreciated if you could review the briefs and provide any amendments **by noon, Tuesday, 21 May 2013**. Please note due to the timeframes for provision of briefs to the Premier's office, any amendments received after this time may not be able to be incorporated.

Amendments should be directly inserted into the briefs using tracked changes. The grouping folder also contains SOURCE documents from departments. If further information is required for a brief, it would be appreciated if the responsible portfolio contact officer could source and incorporate this material.

Following your review of the briefs in the attached grouping folder please advise Executive Services by emailing SABbriefs@premiers.qld.gov.au indicating the grouping folder can be finalised.

Should you have any queries please contact Lucy Fraser on x43687 or Mark McCann on x62179.

Regards

Jane Cameron
Manager Executive Support
Executive Services

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MINISTER FOR TRANSPORT AND MAIN ROADS

ACCESS TO REMOTE COMMUNITIES 1

JARDINE RIVER FERRY 3

LONG DISTANCE PASSENGER SERVICES
REVIEW 5

MARINE TRANSPORT INFRASTRUCTURE 7

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Pages 93 through 96 redacted for the following reasons:

s.73 Out of Scope

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LONG DISTANCE PASSENGER SERVICES REVIEW

RESPONSE

- On 13 February 2013, the Minister for Transport and Main Roads announced a review of Government supported long distance passenger services in regional Queensland.
- The Queensland Government supports a blend of long distance air, coach and rail services to ensure that communities in regional and remote Queensland have a reasonable level of year round access to essential goods and services in major centres.
- Services that impact Thursday Island within the scope of the review are regulated air services between Cairns and Horn Island.
- Key stakeholders from local government, industry and passengers have been consulted.
- On 8 April 2013, representatives of the Department of Transport and Main Roads consulted key stakeholders on Thursday Island, including a representative of the Torres Shire Council in relation to the review.
- Not surprisingly, scheduling of the air service between Cairns and Horn Island has been raised as an issue.
- The Department is currently consolidating feedback, with outcomes of the review to be announced later this year.

BACKGROUND

- The review will examine the duplication of connections along particular passenger transport corridors and aims to ensure that Government's existing investment provides the best possible outcomes for regional communities.
- The Department of Transport and Main Roads (TMR) consulted with local government, industry and passengers over the course of the review. The Honourable Scott Emerson MP, Minister for Transport and Main Roads wrote to the Mayor of the Torres Strait Island Regional Council and the Torres Shire Council on 13 February 2013. Neither Council has provided a submission.

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- In terms of scheduled air services to the outer islands, West Wing operates daily scheduled air services to the majority of the Torres Strait Islands on a commercial basis. Other operators also offer charter services in the Torres Strait.

Contact: Erin Spence
 Department: Transport and Main Roads

Telephone: 3338 4438
 Date: 3 May 2013
 DPC TRIM Ref: DOC/13/80385

Pages 99 through 100 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

REVIEW OF LONG DISTANCE SERVICES

RESPONSE

- On 13 February 2013, the Minister for Transport and Main Roads announced a review of Government supported long distance passenger services in regional Queensland.
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Contact: Erin Spence
Department: Transport and Main Roads

Telephone: 3338 4438
Date: 3 May 2013
DPC TRIM Ref: DOC/13/80385

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Official Information Act

Pages 103 through 115 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

Review of Long Distance Services

RESPONSE

- On 13 February 2013 the Minister for Transport and Main Roads, announced a review of government supported long distance passenger services in regional Queensland.
- The Queensland Government supports certain long distance air, coach and rail services to ensure that communities in regional and remote Queensland have a reasonable level of year round access to essential goods and services in major centres.
- The review aims to ensure that government support for long distance coach, air and rail services continues to provide the best possible outcome for regional communities.
- Services that impact Thursday Island within scope for the review are:
 - Regulated air services between Cairns and Horn Island
 - Consultation has been undertaken with key stakeholders from local government, industry and passengers.
 - Representatives of the Department of Transport and Main Roads (TMR) consulted key stakeholders on Thursday Island in relation to the review on 8 April 2013.
 - TMR is currently consolidating feedback received from key stakeholders, with the outcomes of the review to be announced later this year.

BACKGROUND

- The review will examine the duplication of connections along particular passenger transport corridors and will aim to ensure that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- Consultation has occurred through a variety of methods, including formal submissions and passenger surveys which were available online and onboard services.

Contact:	External Affairs
Department:	Transport and Main Roads
Telephone:	(07) 3338 4438
Date:	3 May 2013

Released under RTI - DPC

Kaley Fox

From: Rebecca.A.Lithgow@tmr.qld.gov.au
Sent: Monday, 29 April 2013 9:31 AM
To: SABbriefs
Cc: Mark McCann; Lucy Fraser; cilo@tmr.qld.gov.au
Subject: Re: Thursday Island Community Cabinet meeting - Request for list of contentious issues - DTMR
Attachments: Premier's contentious issues topics_Thursday Island.doc

Good morning

Please find attached TMRs Contentious Issues Topics for the Thursday Island Community Cabinet.

Kind regards,

Rebecca Lithgow
Support Officer | Cabinet Legislation and Liaison Office | Executive Services
Human Resources and Governance Branch | Department of Transport and Main Roads

Floor 14 | Capital Hill | 85 George Street | Brisbane Qld 4000
GPO Box 1549 | Brisbane Qld 4001
P: (07) 3066 7278 | F: (07) 33067055
E: rebecca.a.lithgow@tmr.qld.gov.au
W: www.tmr.qld.gov.au

From: SABbriefs <SABbriefs@premiers.qld.gov.au>
To: "DATSIMA CLLO" <CLLO@datsima.qld.gov.au>, "Andrea.Bontje@daff.qld.gov.au" <Andrea.Bontje@daff.qld.gov.au>, "Sarah.Mellors@communities.qld.gov.au" <Sarah.Mellors@communities.qld.gov.au>, "GLOVER, Franceen" <Franceen.Glover@dcs.qld.gov.au>, "cilo@police.qld.gov.au" <cilo@police.qld.gov.au>, "Jake.Palton@dete.qld.gov.au" <Jake.Palton@dete.qld.gov.au>, "mardi.sheraton@dews.qld.gov.au" <mardi.sheraton@dews.qld.gov.au>, "Hancock Elise" <Elise.Hancock@ehp.qld.gov.au>, "katie.swan@publicworks.qld.gov.au" <katie.swan@publicworks.qld.gov.au>, "fernanda.vickers@justice.qld.gov.au" <fernanda.vickers@justice.qld.gov.au>, "Christine Brown" <Christine.Brown@dlgp.qld.gov.au>, "cilo@nprsr.qld.gov.au" <cilo@nprsr.qld.gov.au>, "martin.reside@dnrm.qld.gov.au" <martin.reside@dnrm.qld.gov.au>, "Sharon Toohey (DSITIA)" <Sharon.Toohay@dsitia.qld.gov.au>, "McCormick, Lee" <Lee.McCormick@dtesb.qld.gov.au>, "shelley.m.schmaling@tmr.qld.gov.au" <shelley.m.schmaling@tmr.qld.gov.au>, "CLLO@health.qld.gov.au" <CLLO@health.qld.gov.au>, "leilani.smith@treasury.qld.gov.au" <leilani.smith@treasury.qld.gov.au>
Cc: "matthew.english@communities.qld.gov.au" <matthew.english@communities.qld.gov.au>, "McGregor, Donna" <Donna.McGregor@daff.qld.gov.au>, "mincorrespondence@daff.qld.gov.au" <mincorrespondence@daff.qld.gov.au>, "cilo@communities.qld.gov.au" <cilo@communities.qld.gov.au>, "CLLOQCS" <CLLOQCS@dcs.qld.gov.au>, "cilo@dcs.qld.gov.au" <cilo@dcs.qld.gov.au>, "South.JimP@police.qld.gov.au" <South.JimP@police.qld.gov.au>, "erika.harrison@dete.qld.gov.au" <erika.harrison@dete.qld.gov.au>, "cilo.officedg@dete.qld.gov.au" <cilo.officedg@dete.qld.gov.au>, "DEWS CLLO" <DEWSCLLO@dews.qld.gov.au>, "EHPCLLO.corro@ehp.qld.gov.au" <EHPCLLO.corro@ehp.qld.gov.au>, "cilo@publicworks.qld.gov.au" <cilo@publicworks.qld.gov.au>, "cilo@justice.qld.gov.au" <cilo@justice.qld.gov.au>, "cilo@dsdip.qld.gov.au" <cilo@dsdip.qld.gov.au>, "Collins Jodie" <Jodie.Collins@nprsr.qld.gov.au>, "anita.song@dnrm.qld.gov.au" <anita.song@dnrm.qld.gov.au>, "dnrmCLLO@deedi.qld.gov.au" <dnrmCLLO@deedi.qld.gov.au>, "Selles, Virginia" <Virginia.Selles@dtesb.qld.gov.au>, "cilo@tmr.qld.gov.au" <cilo@tmr.qld.gov.au>, "Cheryl_Brennan@health.qld.gov.au" <Cheryl_Brennan@health.qld.gov.au>, "cilo.support@treasury.qld.gov.au" <cilo.support@treasury.qld.gov.au>
Date: 23/04/2013 11:02 AM
Subject: Thursday Island Community Cabinet meeting - Request for list of contentious issues
Sent by: Lucy Fraser <Lucy.Fraser@premiers.qld.gov.au>

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COMMUNITY CABINET MEETING – THURSDAY ISLAND

26 & 27 May 2013

1

The Premier has announced that a two day Community Cabinet meeting will be held on Thursday Island on 26 and 27 May 2013.

Your department is requested to please provide no more than five contentious issues per Minister by NOON on Monday, 29 April 2013 to SABbriefs@premiers.qld.gov.au using the attached template.**

No briefs are to be provided at this stage but please ensure each topic **includes a brief description** of the matter.

Contentious issues should cover the State electorate of Cook.

The Senior Policy Advisor in your Ministerial Office is responsible for nominating the topics of the five contentious issues. It is not necessary to provide five issues if they are not sufficiently contentious.

From the lists provided by departments and any additional issues identified as contentious for the Community Cabinet area, the Premier's Office will select the topics that require a brief. Executive Services will advise departments accordingly. It is anticipated advice on this matter will be sent to departments on Tuesday, 30 April 2013.

If you have any queries please contact Lucy Fraser on 340 43687 or Mark McCann on 340 62179.

Thank you for your assistance.

Jane Cameron

Manager, Executive Support

Executive Services

Department of the Premier and Cabinet

**QPS and DCS – please ensure only five issues are nominated for your Minister.

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[attachment "Contentious Issues List - TEMPLATE.DOCX" deleted by Rebecca A Lithgow/cp1/qdot/au]

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THURSDAY ISLAND COMMUNITY CABINET MEETING

26 – 27 MAY 2013

CONTENTIOUS ISSUES TOPICS

DIVISION	ISSUE	COMMENT
<p>IMD</p>	<p>1. Jardine River ferry</p>	<p>s.73 Out of Scope</p>
<p>IMD</p>	<p>2. Marine transport infrastructure</p>	
<p>IMD</p>	<p>3. Access to remote communities</p>	

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DIVISION	ISSUE	COMMENT
TransLink	4. Review of long distance passenger services	<p>Consultation with key stakeholders including operators has been progressed through regular Air and Coach User Group meetings during March and April, including one held by Qantas on Thursday Island on 8 April Island at which TMR representatives provided a presentation on the scope and process of the Review. TMR is advised that since the meeting a media article has appeared in the Torres Strait News.</p>

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Kaley Fox

From: Kaden, Daniel [Daniel.Kaden@translink.com.au]
Sent: Wednesday, 1 May 2013 5:18 PM
To: Tracey O'Meara; Tracey O'Meara; Grant Stidiford
Cc: Milward, Peter; Rose, Suzanne; Lewis, Belinda
Subject: Review of Long Distance Services - 9 May Meeting
Attachments: Central Agency Agenda - 9 May 2013.docx

Good Afternoon,

Please find attached an agenda for next week's meeting. Please forward on if there is anyone else coming along from DPC or QTT.

See you all next week.

Regards

Daniel Kaden
A/ Manager (Policy)
TransLink Division | Department of Transport and Main Roads

61 Mary Street Brisbane Qld 4000 | GPO Box 50 Brisbane Qld 4001
t 07 3338 4226 | f 32363159
e Daniel.Kaden@translink.com.au
w www.translink.com.au w www.tmr.qld.gov.au



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Agenda

Review of Long Distance Services – Central Agencies Meeting

Date	9 May 2013	Time	2:00 pm to 3:00 pm
Place	Ground Floor Meeting Room (Ascot Room) – 61 Mary Street		
Chair	Suzanne Rose – Department of Transport and Main Roads		
Minute Taker	Daniel Kaden, A/Manager (Policy)		
Attendees			
Tracey O'Meara	Department of the Premier and Cabinet		
Grant Stidiford	Department of the Premier and Cabinet		
Trevor Dann	Queensland Treasury and Trade		
Belinda Lewis	Department of Transport and Main Roads		
Apologies			
Guests			
Agenda item 1	Consultation Activities (Daniel Kaden)		10 minutes
Agenda item 2	Stage 1 Update (Belinda Lewis)		20 minutes
Agenda item 3	Stage 2 Overview (Belinda Lewis)		10 minutes
Agenda item 4	Next Steps (Suzanne Rose)		15 minutes
Agenda item 5	Other Business (All)		5 minutes
Agenda item 6	Next meeting – 6 June 2013		2 minutes

Kaley Fox

From: David Hourigan
Sent: Friday, 15 March 2013 3:52 PM
To: Tracey O'Meara; Grant Stidiford
Subject: FW: Virgin Australia - Submission to Review of Long Distance Services
Attachments: Virgin Australia - Submission to Review of Long Distance Services in QLD.pdf

David Hourigan
Executive Director
Economic Policy
Department of the Premier and Cabinet
Ph: (07) 322 45870
david.hourigan@premiers.qld.gov.au



From: John Strano [<mailto:John.Strano@dsdip.qld.gov.au>]
Sent: Friday, 15 March 2013 3:38 PM
To: David Hourigan
Subject: FW: Virgin Australia - Submission to Review of Long Distance Services

David
As promised. They make some good points.
The only one that might be queried is the assertion that the current high number of workers and level of general activity around Roma will last 20-30 years. Nonetheless, it will probably sustain multiple services for some years to come, and run at higher levels than routes operating without restriction eg Emerald.

Regards

John Strano
Special Advisor
Office of the Director-General
Department of State Development, Infrastructure and Planning
Queensland Government

tel +61 7 3836 0994 (Ext 60994)
fax +61 7 3224 4683
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visit Level 12, 100 George Street, Brisbane
john.strano@dsdip.qld.gov.au
www.dsdip.qld.gov.au

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From: Jane McKeon [<mailto:Jane.McKeon@virginaustralia.com>]
Sent: Thursday, 14 March 2013 6:16 AM
To: John Strano
Subject: FW: Virgin Australia - Submission to Review of Long Distance Services

Hi John

Just FYI

Regards
Jane

From: Lee-Anne Tomkins
Sent: Wednesday, 13 March 2013 3:18 PM
To: Reviewoflongdistanceservices@translink.com.au
Cc: Jane McKeon
Subject: Virgin Australia - Submission to Review of Long Distance Services

Good afternoon

Please find attached Virgin Australia's submission to the Department of Transport and Main Roads' Review of Long Distance Services.

If you have any questions, please do not hesitate to contact me.

Kind regards
Lee-Anne



Lee-Anne Tomkins | Manager, Government and International Relations
P +61 2 8093 7114 | M +61 459 840 092 | F +61 2 8093 7003
E lee-anne.tomkins@virginaustralia.com

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Kaley Fox

From: David Hourigan
Sent: Friday, 15 March 2013 3:40 PM
To: 'John Strano'
Cc: Tracey O'Meara; Grant Stidiford
Subject: RE: Virgin Australia - Submission to Review of Long Distance Services

Ta – will go through it.

David Hourigan
Executive Director
Economic Policy
Department of the Premier and Cabinet
Ph: (07) 322 45870
david.hourigan@premiers.qld.gov.au



From: John Strano [<mailto:John.Strano@dsdip.qld.gov.au>]
Sent: Friday, 15 March 2013 3:38 PM
To: David Hourigan
Subject: FW: Virgin Australia - Submission to Review of Long Distance Services

David
As promised. They make some good points.
The only one that might be queried is the assertion that the current high number of workers and level of general activity around Roma will last 20-30 years. Nonetheless, it will probably sustain multiple services for some years to come, and run at higher levels than routes operating without restriction eg Emerald.

Regards

John Strano
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visit Level 12, 100 George Street, Brisbane

john.strano@dsdip.qld.gov.au

www.dsdip.qld.gov.au

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From: Jane McKeon [<mailto:Jane.McKeon@virginaustralia.com>]
Sent: Thursday, 14 March 2013 6:16 AM
To: John Strano
Subject: FW: Virgin Australia - Submission to Review of Long Distance Services

Hi John

Just FYI

Regards
Jane

From: Lee-Anne Tomkins
Sent: Wednesday, 13 March 2013 3:18 PM
To: Reviewoflongdistanceservices@translink.com.au
Cc: Jane McKeon
Subject: Virgin Australia - Submission to Review of Long Distance Services

Good afternoon

Please find attached Virgin Australia's submission to the Department of Transport and Main Roads' Review of Long Distance Services.

If you have any questions, please do not hesitate to contact me.

Kind regards
Lee-Anne



Lee-Anne Tomkins | Manager, Government and International Relations
P +61 2 8093 7114 | M [S.73 Telephone Nu](tel:0800737373) | F +61 2 8093 7003
E lee-anne.tomkins@virginaustralia.com
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Kaley Fox

From: David Hourigan
Sent: Wednesday, 9 January 2013 5:19 PM
To: Tracey O'Meara; Grant Stidiford
Subject: Fwd: Email search update

Sent from my iPhone

Begin forwarded message:

From: Craig Evans <Craig.Evans@premiers.qld.gov.au>
Date: 9 January 2013 5:09:05 PM GMT+10:00
To: Judy Dudurovic <Judy.Dudurovic@premiers.qld.gov.au>
Cc: David Hourigan <David.Hourigan@premiers.qld.gov.au>, Patrick Vidgen <Patrick.Vidgen@premiers.qld.gov.au>
Subject: FW: Email search update


Hi Judy

As previously discussed, could we please look to producing a PBN that covers the final Deloitte Report, the results of the email search and the issue raised by Ross regarding Skytrans (which we will require DTMR input). Would it be possible to get a more definitive date from Deloitte on the report? I suspect that the PO would like to have a brief for the Premier Monday which I suspect from yesterday's email will be too soon for Deloitte. Regards Craig

Craig Evans AM

Acting Director General
Department of the Premier and Cabinet
T: 340 62140
Executive Building | Level 15 | 100 George Street | Brisbane
PO Box 15185 | City East | Queensland 4002 |

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From: Ross Mensforth [mailto:Ross.Mensforth@ministerial.qld.gov.au]
Sent: Wednesday, 9 January 2013 5:02 PM
To: Craig Evans
Cc: Daniel Harris; Peter Walsh
Subject: RE: Email search update

Hi Craig

Further to our conversation on this today, can you also please update the Premier on the status of the Skytrans contract within any associated briefing notes.

I understand that this has now been extended for shorter period of 6 months.

Cheers

Ross

From: Craig Evans [mailto:Craig.Evans@premiers.qld.gov.au]
Sent: Wednesday, 9 January 2013 7:21 AM
To: Ross Mensforth
Subject: FW: Email search update

Hi Ross

Please note that we are expecting the final report from Deloitte next week. Regards Craig

Craig Evans AM

Acting Director General


Department of the Premier and Cabinet

T: 340 62140

Executive Building | Level 15 | 100 George Street | Brisbane

PO Box 15185 | City East | Queensland 4002 |

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From: Judy Dudurovic
Sent: Tuesday, 8 January 2013 8:11 PM
To: Craig Evans
Cc: Patrick Vidgen
Subject: Fwd: Email search update

Hi Craig

Please note the advice below - Deloitte's report won't be ready until next week.

Regards

Judy

Executive Director

Business Services

Department of the Premier and Cabinet

W 322 44691 M S.73 Telephone Num

Begin forwarded message:

From: "Noble, Chris (AU - Brisbane)" <cnoble@deloitte.com.au>
Date: January 8, 2013, 7:48:08 PM GMT+10:00
To: Judy Dudurovic <Judy.Dudurovic@premiers.qld.gov.au>
Cc: "Newton, Graham (AU - Brisbane)" <grnewton@deloitte.com.au>
Subject: RE: Email search update

Judy

We expect to finalise the email review late this week and then update the report in draft for you to review one last time before then finalising. We would expect the draft to be with you early next week.

Regards

From: Judy Dudurovic [<mailto:Judy.Dudurovic@premiers.qld.gov.au>]
Sent: Tuesday, 8 January 2013 4:47 PM
To: Noble, Chris (AU - Brisbane)
Subject: RE: Email search update

Hi Chris

Craig Evans has asked when you are likely to finish the email investigation? Will the results then update the draft report dated 21 December – and the report finalised? If so, when do you expect this be?

thanks
Judy

From: Noble, Chris (AU - Brisbane) [<mailto:cnoble@deloitte.com.au>]
Sent: Tuesday, 8 January 2013 7:55 AM
To: Judy Dudurovic; Newton, Graham (AU - Brisbane)
Subject: RE: Email search update

Judy

As per Graham's note I am in the Brisbane office with the staff conducting the analysis if you have issues you would like to explore further. Graham is back in town Monday.

Regards

Chris Noble
Partner
Deloitte Forensic
123 Eagle Street, Brisbane, Queensland, 4000, Australia
Tel/Direct: +61 7 3308 7065 | Fax: +61 2 9254 1060 | Mobile: S.73 Telephone N
cnoble@deloitte.com.au | www.deloitte.com.au

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From: Judy Dudurovic [<mailto:Judy.Dudurovic@premiers.qld.gov.au>]
Sent: Monday, 7 January 2013 7:06 PM
To: Newton, Graham (AU - Brisbane)
Cc: Noble, Chris (AU - Brisbane)
Subject: RE: Email search update

thanks Graham

Please note that your email below has been forwarded to Neil Scales and Pat Vidgen.

regards
Judy

From: Newton, Graham (AU - Brisbane) [<mailto:grnewton@deloitte.com.au>]
Sent: Monday, 7 January 2013 4:53 PM
To: Judy Dudurovic

Cc: Craig Evans; Noble, Chris (AU - Brisbane)
Subject: Email search update

Hi Judy,

By way of update below is a summary of the email responses provided by various parties in relation to the draft Briefing Note. I have copied Chris Noble, other Forensic partner, into this email as I am still away until next Monday. If you require any direct assistance this week Chris will be able to help. We will continue our searches and provide updates to you this week as we work on finalising the email searches.

The timeline of changes and comments on the ministerial briefing note that relate to the options changing and the extension date are:

- 04/05/2012 – Draft briefing note sent by Katie Pekaj to Kelly Amour, Belinda Lewis and CC's Martin Grace, Christopher Basche and Peter McCullough. In the draft document Katie Pekaj has highlighted the extension date of 31 December 2013 with the comment '*note this may need to change - pending finalisation of timeframes for review*'.
- 09/05/2012 – Martin Thomsett emails Peter McCullough and Christopher Basche with his response. He makes a number of changes mainly rewording however, does not change any of the options or date of extension.
- 14/05/2012 – Paul Brims emails Peter McCullough, Peter Milward, Belinda Lewis, Martin Grace and CC's Kelly Amour his response but the comments in the document appear to be from Kelly Amour. There are no changes to the options or extension date however, there are comments as to whether Option 1 should be reworded to include submission timelines and if the Options should include Rail impacts.
- 15/05/2012 – Katie Pekaj emails Kelly Amour and CC's Peter McCullough and Paul Brims with an updated draft asking for her response to a number of questions. In the updated draft the extension date is now December 2014 – there is no comment as to why this has changed.
- 18/05/2012 – Kelly Amour emails Katie Pekaj and CC's Peter McCullough and Paul Brims with an updated briefing note including her responses to the questions Katie asked on 15/15/2012. There are no changes to the options.
- 25/05/2012 – Peter McCullough emails Peter Milward, Rose Kent, Christopher Basche, Amanda Fairley, Suzanne Rose, Natasha Neale, Martin Thomsett, Belinda Lewis, Paul Brims, Kelly Amour, Stuart Johns, Michael Morgan, Martin Grace and Katie Pekaj and updated draft briefing note. In this the Options are now reduced to four, there are no comments as to why they have been reduced.
- 30/05/2012 – Suzanne Rose emails Peter McCullough and CC's Belinda Lewis with her response. She does not change any options but comments that option 4 may be misaligned with general policy principles.
- 11/07/2012 – Katie Pekaj emails Kelly Amour with a copy of the briefing note to the minister with the comment '*Attached is the most recent copy*'. In this the extension date is December 2014 and there are four options.
- 19/07/2012 – Katie Pekaj emails Kelly Amour thanking her for her update on long distance rail. She also attaches a '*most recent version*' of the ministerial briefing note. This appears in a similar format as the final brief that goes to the minister. It has only three options and the extension date is December 2014.

Judy, there are no emails we have identified that make reference to the legal advice provided and/or why it is not considered or included in the Briefing Note.

Kind regards

Graham Newton

Partner | Forensic
Deloitte Touche Tohmatsu
123 Eagle Street, Brisbane, QLD, 4000, Australia
Tel/Direct: +61 7 3308 7080 | Fax: +61 7 3308 7004 | Mobile: S.73 Telephone Numb
grnewton@deloitte.com.au | www.deloitte.com.au

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Please consider the environment before printing this email.

Kaley Fox

From: David Hourigan
Sent: Wednesday, 19 December 2012 9:39 AM
To: Tracey O'Meara; Grant Stidiford
Subject: Fwd: Deloitte analysis
Attachments: Deloitte analysis - 18 December 2012.docx; ATT00001.htm


Sent from my iPhone


Begin forwarded message:

From: Jon Grayson <Jon.Grayson@premiers.qld.gov.au>
Date: 19 December 2012 9:03:33 AM GMT+10:00
To: Craig Evans <Craig.Evans@premiers.qld.gov.au>, David Hourigan <David.Hourigan@premiers.qld.gov.au>
Subject: Fwd: Deloitte analysis

Kind regards

Jon Grayson
Director-General
Department of the Premier and Cabinet

 (07) 322 44728

 jon.grayson@premiers.qld.gov.au

Executive Building | Level 15 | 100 George Street | Brisbane
PO Box 15185 | City East | Queensland 4002

Great State. Great Opportunity

Please consider the environment before printing this email

Begin forwarded message:

From: "Newton, Graham (AU - Brisbane)" <grnewton@deloitte.com.au>
Subject: Deloitte analysis
Date: 18 December 2012 8:38:05 AM AEST
To: Jon Grayson <Jon.Grayson@premiers.qld.gov.au>, Judy Dudurovic <Judy.Dudurovic@premiers.qld.gov.au>
Cc: "Gerrard, Carl (AU - Brisbane)" <cgerrard@deloitte.com.au>

Jon/Judy,

Attached please find an updated summary of the work performed yesterday which now includes:

1. Two additional comments up front to reflect appropriate comments in relation to the work undertaken by government in RNA 3

2. A final section that outlines some suggested next steps for consideration.

Please let me know if this accurately reflects our discussions yesterday evening. If there is anything else we can do for you today don't hesitate to contact me or Carl direct. We have different commitments at various times throughout the day but either one, or both, will be available to respond quickly should you need us.

Judy, happy to come and collect documentation from anyone whenever it becomes available. Also happy to discuss the approach to the email reviews with yourself and/or anyone else should it be required.

Kind regards

Graham Newton

Partner | Forensic

Deloitte Touche Tohmatsu

123 Eagle Street, Brisbane, QLD, 4000, Australia

Tel/Direct: +61 7 3308 7080 | Fax: +61 7 3308 7004 | Mobile:

S.73 Telephone Num

gnewton@deloitte.com.au | www.deloitte.com.au

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See more with [Deloitte, 2012 Employer of Choice for Women \(EOWA\)](#) and [Inclusive Workplace of the Year \(AHRI Diversity Awards\)](#).

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Regulated Air Routes – Special review

Overall Summary

- Based on documents reviewed and people interviewed it is apparent that the process adopted throughout Regional Network Analysis Stage 3 (RNA) was consistent with a holistic review that incorporated an intermodal review of coach, rail and aviation transport
- The review did consider and incorporate some planning and timeline documents, formation of Steering Groups and internally documented meetings to reflect considerations and decisions made at various stages of the RNA
- Decision Brief MBN16181 dated 30 July 2012 did not consider or document risk attached to the 3 options being considered as part of the RNA
 - Option 1 – Extend contracts and allow review
 - Option 2 – Tender and no review
 - Option 3 – Undertake review and remove high performing air routes
- Context of briefing on Option 1 lacked detail in relation to Air Contracts and what the RNA 3 review would cover
- Contemplation to extend contracts was discussed in May 2012 (9 May RNA Steering Committee meeting)
- Coach and Air contracts have been extended to December 2014. Rail has not been extended and is due to expire June 2013

• Exempt Sch.3(7) Legal Professional Privilege

-
-

Original contracts

- There were three original Air Services Contracts entered into, all due to expire on 31 March 2013. These were with Regional Express (REX), QANTAS Link and Skytrans
- The terms and rights of extension clauses in all three contracts provides for extension provisions of 3 – 6 months

-
-
-

Exempt Sch.3(7) Legal Professional Privilege

Contract extension

- [Redacted]
- The contract extensions were discussed at the former DTMR RNA 3 Steering Committee on 9 May where it was stated that *"The need to extend contracts until December 2014 to allow time to finalise the review process was discussed considering work is required to be undertaken internally"*
- We understand that in June/July Acting GM Passenger Transport Integration Mr Peter Millward had a discussion with Executive Director Economic Policy and Director Transport Area during which the issue of extending contracts was raised
- The RNA 3 Steering Committee was advised on 3 August 2012 of advice regarding extensions to contracts where it also noted that the both agencies *"support concept of extending contracts but would require further discussions about the project"*
- This review has not identified any additional evidence of further advice regarding contract extensions being provided to these nominated positions within government
- At this meeting it was also noted that the Ministerial Decision Brief MBN16181 was with the DDG
- The timeline prepared in the form of a Gant Chart (V2) included the consideration to extend the current contracts on or about 24 September 2012. ²
- Minutes of RNA3 Policy Workshop meeting on 20 September 2012, at Agenda Item 2 noted that *"...importantly attendees were advised that Ministerial approval had been provided for current air and coach contracts to be extended to December 2014 which will allow time to conduct the RNA 3 process"*.

Consultation and communication plan

- A draft consultation and communication plan was developed which references a media release by the Minister. A draft media release was provided to the Minister but we understand was never issued. This referenced the review and the contract extensions.
- The draft communication and consultation plan also listed stakeholders that would be consulted *"seeking submissions"* which included Virgin, Jetstar, Hinterland Aviation and others
- The draft communication and consultation plan also listed risks and opportunities which included *"Raising community and industry expectations"*. The mitigation / support strategy outlined for this risk/opportunity included (1) engagement through the consultation process (2) make it clear that this is an exploratory process and (3) adequately brief the Minister on the project scope and provide regular status updates.

¹ Note that all 3 contracting parties received Extend to Services Contracts dated 18 October 2012.

² Note that we are advised that a Version 3 of this document has since been prepared which may reflect later dates

Proposed next steps

- Source and examine the RFT documentation in relation to original contracts awarded in 2008 to QANTAS Link, Skytrans and REX to identify those parties who tendered for the various transport routes
- Identify and examine all official communications involving government and the three contracting parties in relation to the RNA
- Conduct further inquiries to identify the communication path attached to the legal advice prepared on 30 January 2012 to understand the degree to which this was considered, or otherwise, in the preparation of any advice to the Minister
- In consultation with government identify and interrogate email accounts of employees directly connected to the RNA process to identify any evidence of communication between government and the contracting parties that has not been disclosed.

Released under RTI - DRG

Kaley Fox

From: Grant Stidford
Sent: Friday, 14 December 2012 3:08 PM
To: 'tmr@ministerial.qld.gov.au'
Cc: Economic Transport (Policy); 'cindy.j.male@tmr.qld.gov.au'
Subject: TRIM: Request for TMR advice - DPC reference TF/12/32722
Attachments: Virgin_pullout.pdf

The Premier has received the below email from a member of the public. Could TMR please provide advice as to an appropriate response by 16 January 2013 as the Premier has requested a draft response be ready for his consideration on 18 January 2013.

Thanks

Grant

Grant Stidford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane
Phone: 07 340 56208 | e-mail: grant.stidford@premiers.qld.gov.au



From: The Premier
Sent: Thursday, 13 December 2012 8:31 AM
To: The Premier
Subject: Qantas' Monopoly on Regional QLD Routes
Importance: High

Subject: Qantas' Monopoly on Regional QLD Routes
Title: CTPI - Personal Information
First Name: [Redacted]
Family Name: [Redacted]
Email: [Redacted]

Address: [Redacted]
Town: [Redacted]
State: [Redacted]
Postcode: [Redacted]
Email: [Redacted]

Comment:

Please let Queensland rate payers know why your administration is backing Qantas's monopoly against Virgin for Qld regional routes. This seems bad for the consumer, anti competitive, and unfair to a company who employs many Queenslanders. Virgin is based in Brisbane, and Qantas is based in Sydney. Why is the Queensland government protecting a Sydney based company over a Qld based company ?

Regards

CTPI - Personal Information

Released under RTI - DPC

Kaley Fox

Subject: Meeting to discuss the review of regional and remote passenger transport services
Location: Room 14.30, Level 14 of the Executive Building.

Start: Fri 14/12/2012 2:00 PM
End: Fri 14/12/2012 3:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Grant Stidiford
Required Attendees: Tracey O'Meara; Trevor Dann; 'John.Gebbett@treasury.qld.gov.au';
suzanne.a.rose@tmr.qld.gov.au; Peter L. Milward; 'Sal.M.Petroccitto@tmr.qld.gov.au';
'annette.j.finch@tmr.qld.gov.au'; brooke.morrissy@treasury.qld.gov.au

Importance: High

****PLEASE NOTE THAT THIS MEETING IS BROUGHT FORWARD TO FRIDAY 14 DECEMBER 2012****

Hi everyone,

Following on from the meeting on Monday 10 December, DPC would like to meet to discuss the review of regional and remote passenger transport services that is proposed to be conducted as a Public Benefit Test by TMR including certain Traveltrain, long distance coach and air services. The purpose of the meeting is for DPC to gain a better understanding of the scope of work proposed and the linkages/overlaps with other work being progressed by TMR that is the subject of clear Cabinet/CBRC timeframes. General issues to be discussed include:

- scope of work being proposed;
- timeframes;
- anticipated deliverables;
- links to other activities;
- alternative options (if any) to deliver the work.

It would be appreciated if you could attend.

Please call me to discuss further.

Grant

Grant Stidiford
Principal Policy Officer | Economic Policy | Department of the Premier and Cabinet |
Level 14 | 100 George Street, Brisbane
Phone: 07 340 56208 | e-mail: grant.stidiford@premiers.qld.gov.au



Kaley Fox

From: Grant Stidiford
Sent: Thursday, 13 December 2012 5:43 PM
To: 'John.Gebbett@treasury.qld.gov.au'
Subject: RE: Air and long distance bus subsidies

Thanks John,

I understand the below and the rationale etc for it, but I think we can safely assume the work has not been done which leaves us with the question of what we need to do now with a different Government that has a substantially different work program to that of the former Government under which these decisions were made (notwithstanding the clear benefit that such work would obviously give).

The questions in my mind at the moment are about prioritising the decisions that we want Cabinet/CBRC to be making, how the decisions link together (is there a sequence that is required for some decisions) and when decisions need to be made given the work that has been allocated to TMR by this Government to progress as a priority, along with what it is that we want to achieve from the work.

I understand the frustration though.

Grant

From: John.Gebbett@treasury.qld.gov.au [<mailto:John.Gebbett@treasury.qld.gov.au>]
Sent: Thursday, 13 December 2012 5:03 PM
To: Grant Stidiford
Cc: Trevor Dann; brooke.morrissy@treasury.qld.gov.au
Subject: Air and long distance bus subsidies

Grant

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

We were also concerned about the process by which regulation of air routes on Cape York and Torres Strait was introduced.

In the time since a broader question has arisen of whether the State is subsidising some air routes which formerly had little patronage but are now used by fly-in fly-out miners and would appear to be viable without government support in future.

FYI

John Gebbett
Principal Treasury Analyst
Transport and Main Roads Group
Queensland Treasury and Trade
Telephone 30351486



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DIRECTOR-GENERAL'S BRIEFING NOTE

Policy

Tracking Folder No. TF/12/1788

Document No. DOC/12/14940

To: Director-General
Subject: Meeting with Mr Peter Collyns, Regional General Manager Queensland and Papua New Guinea - Qantas

Approved / Not Approved / Noted

Addressee

Date/...../.....

• RECOMMENDATION

It is recommended that you:

- **note** the following information for your meeting with Mr Peter Collyns, Regional General Manager Queensland and Papua New Guinea (PNG), Qantas on Friday 3 February 2012.

• KEY ISSUES

- Mr Peter Collyns has held positions with Qantas since 2007 including Sales Manager VIC and Regional General Manager Tasmania. He was previously Corporate Sales Manager for British Airways for 14 years.
- QantasLink is Australia's largest regional airline and operates a network to 56 metropolitan and regional centres as well as to PNG.
- QantasLink was voted world's best regional airline, and will be presented with the award at a ceremony in Singapore on 13 February 2012.
- On 31 January 2012, QantasLink announced additional seats per week to the following Queensland destinations: 9100 for Gladstone; 13,884 for Mackay; 8400 for Rockhampton; 592 for Emerald; 244 for Roma; and 200 seats for Bundaberg.
- Upgraded capacity between Cairns and Weipa will result in 34 services per week, a twice weekly service added to the Townsville and Moranbah route and increased capacity between Cairns and Horn Island and Townsville and Cloncurry/Mt Isa.
- Air capacity from PNG to Queensland equates to 47 flights and 4773 seats per week, with 55% of seats offered by Air Niugini.
- An agreement between Qantas and the Australian Licenced Aircraft Engineers Association (ALAEA) was recently endorsed by Fair Work Australia, and is in place until 31 December 2014.
- Moody credit rating for Qantas was downgraded from Baa2 to Baa3 (Baa ratings indicate a moderate credit risk). However, Qantas is one of only three global airlines to have retained a Moody investment-grade credit rating.
- The Department of Transport and Main Roads regulates and subsidises air services to ensure remote or disadvantaged communities have access to essential services.
- QantasLink was awarded one of three contracts for regulated air services for the following routes: Townsville – Cloncurry - Mt Isa; Brisbane – Roma- Charleville; Brisbane - Blackall - Barcaldine/Longreach; Cairns – Horn Island; and Cairns – Weipa.
- The Queensland Government commits \$9.5M per annum to ensure the continued operation of these services. The current contracts will expire on 31 March 2013.

Comments

Bronwen Griffiths
Associate Director-General

_____/_____/_____

Action Officer: Kym Kraljevic Approvals by Director / ED /DDG
Area: Economic Policy documented in notes in TRIM
Telephone: 322 47228

Background Information for meeting between Qantas Regional General Manager Queensland and PNG, Peter Collyns and DG of DPC on 3 February 2012

This meeting requested by Qantas is for the Qantas Regional General Manager Queensland and PNG, Peter Collyns to introduce himself to the DG of DPC.

Qantas Client Background

**Prepared by
Trade and Investment Queensland – Investment Attraction**

- Qantas is a key group within Queensland's burgeoning aviation and aerospace industry. With the assistance of QLD government Qantas has established (i) an aircraft heavy maintenance facility and A330 conversion facility at Brisbane Airport (ii) a Major Reservation Centre in Brisbane housing the Regional Headquarters, and (iii) a Centralised Meal Production Facility
- TIQ and the Aviation and Defence sector teams have on-going engagement with Qantas to identify and assist additional development. Recently this has focused on facilitating opportunities: with
 - (i) Qantas Defence Services including the refit on KC-30A Multi Role Tanker Transport (MRTT) aircraft at Brisbane Airport; and
 - (ii) with Qantas Environment and Fuel conservation on initiatives to develop and manufacture renewable biojet fuel
- Media reports indicate Qantas is considering setting up facilities in Asia that may impact on Australian operations. This includes establishing an ultra-premium carrier in south-east Asia, possibly with a hub in Kuala Lumpur in partnership with Malaysia Airlines.

Current and Past QIIS Agreements with Qantas Airways Ltd

- 3 QIIS Agreements. One is current (ends 2014) and the remaining two completed (2003 & 2007)
- Funding approved for the three Qantas projects amount to \$37.82M;
- Jobs created as a direct result of the three projects total 1113.
- Total capital expenditure for the two completed projects was \$28.4M.

Source: Grants Administration System as at 30/01/2012

Released under the
RTI Act

**Background Information for meeting between Qantas Regional General Manager
Queensland and PNG, Peter Collyns and DG of DPC on 3 February 2012**

Queensland – Papua New Guinea Relations

**Prepared by
Trade and Investment Queensland – Americas and Pacific Team – Overseas Market
Development**

Merchandise exports to Papua New Guinea¹

- In 2010–11p, Queensland's merchandise exports to Papua New Guinea were valued at \$782.7 million, representing 1.6 per cent of Queensland's total merchandise exports and 35.1 per cent of Australia's total merchandise exports to Papua New Guinea.
- Major export items included Machinery specialised for particular industries (\$115.1 million), Road vehicles (incl. air-cushion vehicles) (\$104.6 million), General industrial machinery nes (\$80.1 million), Special transactions & commodities not classified (\$78.5 million), Electrical machinery, apparatus, appliances, parts (\$62.6 million).
- Queensland's merchandise exports to Papua New Guinea grew by 12.0 per cent or \$83.8 million, from \$698.9 million in 2009–10 to \$782.7 million in 2010–11p.

Merchandise imports from Papua New Guinea²

- In 2010–11p, Queensland's merchandise imports from Papua New Guinea were valued at \$2,404.3 million, representing 7.3 per cent of Queensland's total merchandise imports and 69.2 per cent of Australia's total merchandise imports from Papua New Guinea.
- Major import items included Gold, non-monetary (excl. gold ores and concentrates) (\$1,238.8 million), Petroleum, petroleum products and related materials (\$905.5 million), Non-ferrous metals (\$205.5 million), Coffee, tea, cocoa, spices, and manufactures thereof (\$26.6 million), Metalliferous ores and metal scrap (\$5.1 million).
- Queensland's merchandise imports from Papua New Guinea grew by 15.5 per cent or \$323.0 million, from \$2,081.3 million in 2009–10 to \$2,404.3 million in 2010–11p.

Services trade with Papua New Guinea³

- Queensland's total service exports to all countries grew by 21.1 per cent or \$1,543 million, from \$7,297 million in 2005–06 to \$8,840 million in 2009–10. Queensland's total service imports from all countries grew by 30.9 per cent or \$1,785 million for the same period to a total of \$7,565 million.

Tourism⁴

- International visitors to Queensland from Papua New Guinea increased by 13 per cent or 4,983 tourists, from 38,661 tourists in 2009–10 to 43,644 tourists in 2010–11 (year ending September).
- Air capacity from Papua New Guinea to Queensland equates to 47 flights and 4,743 seats per week. Air links exist between Brisbane and Port Moresby, as well as between Cairns and Lihir Island, Moro and Port Moresby.
- Air Nigini represents 55% of all seats from Papua New Guinea to Queensland, offering 2,631 seats weekly.
- Pacific Blue, Qantas and Airlines of PNG also operate between Papua New Guinea and Queensland.

International Student Statistics⁵

¹ Automated Trade Report, OESR

² Automated Trade Report, OESR

³ Automated Trade Report, OESR

⁴ OESR

⁵ AEI

Background Information for meeting between Qantas Regional General Manager Queensland and PNG, Peter Collyns and DG of DPC on 3 February 2012

- International student enrolments in Queensland from Papua New Guinea grew by 20.5 per cent or 138 students, from 673 in 2009–10 to 811 students in 2010–11.

Trade and Investment Queensland

- Key sectors being targeted by Trade and Investment Queensland (TIQ) for Papua New Guinea include infrastructure (LNG and Mining related), international aid and development, construction, food and catering services, aviation services, and education and training.
- Papua New Guinea is identified as key strategic market of focus by TIQ and the Cairns Region Economic Future 2012-15 Plan (the Cairns Plan) which was launched on 16 January 2012. This highlights the strategic importance of PNG with a number of whole-of-government initiatives being implemented to position the North Queensland region as a business gateway to Papua New Guinea.
- The Special Representative for Papua New Guinea resigned in November 2011 and this post is yet to be filled.

Trade and Investment Queensland Trade Mission to PNG

- 13 participants, from 11 companies attended this mission representing a diverse range of industry sectors including mining related services, energy, infrastructure project support, human resource management, financial services, tourism, aviation training and product sales.
 - Post-mission feedback has indicated strong confidence that multiple delegates expect to secure contracts and outcomes within the next 12 months.
 - As a result of this confidence, a range of in-market follow-up activities (introductions, facilitation of meetings and advancement of relationships) regarding business opportunities are warranted.

Trade and Investment Queensland Special Representative to PNG

- The Special Trade Representative for Papua New Guinea, based in Cairns, is an initiative of the Queensland Government. The position is administratively located within the Queensland Government's export agency, Trade and Investment Queensland (TIQ), Department of Employment, Economic Development and Innovation.
- The position is a component of the Cairns Economic Future Plan to focus on driving increased business between PNG and Queensland, and specifically with Cairns.
- The most recent Special Trade Representative to PNG, Mr Jeremy Blockey, was first appointed into this role on 5 September 2010 and resigned and subsequently concluded his contract on 5 November 2011 to take up an appointment with the Federal Government.
- The Special Trade Representative to PNG role will soon be advertised.

Queensland – Papua New Guinea Memoranda of Understanding

- Queensland has a strong relationship with Papua New Guinea, which is supported by activities under the Queensland Papua New Guinea Memorandum of Understanding (MoU) on Business Cooperation, which was first signed in 1992 and re-signed in Cairns in October 2008 between the Premier, the Honourable Anna Bligh MP, and the Papua New Guinea Prime Minister, the Right Honourable Sir Michael Somare.
 - Due for re-signing next year for the 20th anniversary. Queensland's second longest standing MoU

**Background Information for meeting between Qantas Regional General Manager
Queensland and PNG, Peter Collyns and DG of DPC on 3 February 2012**

Papua New Guinea

Information on Papua New Guinea (figures are in US dollars)

- Papua New Guinea GDP (official exchange rate) is \$8.809 billion (2010 est.); GDP (real growth rate) is 6.2 per cent (2010 est.); GDP (per capita - PPP) is \$2,500 (2010 est.); GDP composition by sector: agriculture 32.2 per cent, industry 35.7 per cent and services 32.1 per cent (2010 est.)⁶.
- Main agriculture products: coffee, cocoa, copra, palm kernels, tea, sugar, rubber, sweet potatoes, fruit, vegetables, vanilla; shell fish, poultry, pork
- Industries: copra crushing, palm oil processing, plywood production, wood chip production; mining of gold, silver, and copper; crude oil production, petroleum refining; construction, tourism
- Papua New Guinea Exports: \$5.976 billion. Industrial production growth rate (annual percent increase in industrial production (includes manufacturing, mining and construction) is 10 per cent (est 2010)
- Papua New Guinea's principle export destinations at 2009 are: 1. Australia 30.5 per cent, 2. Japan 7.48 per cent⁷.
- Papua New Guinea's principle import sources at 2009 are: 1. Australia 43.7 per cent, 2. China 13.29 per cent, 3. Singapore 9.59 per cent, 4. USA 6.4 per cent 5. Japan 4.62 per cent.⁸
- Papua New Guinea is richly endowed with natural resources, but exploitation has been hampered by rugged terrain and the high cost of developing infrastructure.
- Agriculture provides a subsistence livelihood for 85 per cent of the population. Mineral deposits, including copper, gold, and oil, account for nearly two-thirds of export earnings.
- The top eight countries for Australia Government aid in 2010-2011 (in millions of dollars)
 - Indonesia 458.7; **Papua New Guinea 457.2**; Solomon Islands 225.7; Afghanistan 123.1; Vietnam 119.8; Philippines 118.1; East Timor 102.7; Cambodia 64.2.

⁶ CIA-The World Factbook, last updated November 11, 2009.

⁷ DFAT, Fact Sheet.

⁸ DFAT, Fact Sheet.

DIRECTOR-GENERAL'S BRIEFING NOTE
Policy

Tracking Folder No. TF/12/1788
Document No. DOC/12/14940

To: Director-General
Subject: Meeting with Mr Peter Collyns, Regional General Manager Queensland and Papua New Guinea - Qantas

Approved / Not Approved / **Noted**

Addressee
Date 21.2.12

• RECOMMENDATION

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- Moody credit rating for Qantas was downgraded from Baa2 to Baa3 (Baa ratings indicate a moderate credit risk). However, Qantas is one of only three global airlines to have retained a Moody investment-grade credit rating.
- The Department of Transport and Main Roads regulates and subsidises air services to ensure remote or disadvantaged communities have access to essential services.
- QantasLink was awarded one of three contracts for regulated air services for the following routes: Townsville - Cloncurry - Mt Isa; Brisbane - Roma - Charleville; Brisbane - Blackall - Barcaldine/Longreach; Cairns - Horn Island; and Cairns - Weipa.
- The Queensland Government commits \$9.5M per annum to ensure the continued operation of these services. The current contracts will expire on 31 March 2013.

Bronwen Griffiths
Bronwen Griffiths
Associate Director-General

21, 21, 2012

Comments

Action Officer: Kym Kraljevic Approvals by Director / ED / DDG
Area: Economic Policy documented in notes in TRIM
Telephone: 322 47228

Pages 155 through 158 redacted for the following reasons:

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

Released under RTI - DPC

GOVERNOR'S MONTHLY BRIEFING NOTES – FEBRUARY 2013

DEPARTMENT OF TRANSPORT AND MAIN ROADS

s.73 Out of Scope

Released under RTI - DPC

s.73 Out of Scope

Review of long distance passenger transport services

- On 13 February 2013, the Honourable Scott Emerson MP, Minister for Transport and Main Roads announced a review of government supported long distance passenger services in regional Queensland.
- Currently, the Queensland Government subsidises and/or regulates a number of long distance coach and air services as well as subsidising the statewide TravelTrain network.
- A review is currently underway of a number of routes in Queensland, which will examine various long-distance passenger modes, including duplication of services by air, coach and rail along particular corridors. Additionally, it will aim to ensure that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- Specifically, the review aims to:
 - determine the appropriate role of the state government in facilitating the delivery of services, either through regulation or subsidies.
 - provide recommendations to ensure value for money outcomes for the Queensland Government and the public without unnecessary restriction on commercial long distance passenger transport markets (for example, deregulation of certain air routes where the market can sustain competition could be considered and may potentially create lower airfares and increase service frequency).
 - ensure regional communities continue to receive a reasonable level of access to essential services such as education and health, in major centres.
- Minister Emerson has written to all Mayors and key stakeholders in the long distance passenger transport industry in Queensland inviting submissions to the review which are due by 13 March 2013.
- Members of the public will be able to provide input to the review by filling in on-board surveys and online surveys on the Get Involved website anticipated from 25 February 2013.
- All phases of the review will be completed by late 2013 which will enable the optimised regulatory and service delivery framework to be developed and to implement contracts where appropriate from 1 January 2015.

Contact:

Belinda Lewis (3338 4298)
Department of Transport and Main Roads

Date:

18 February 2013

DEPARTMENT OF THE PREMIER AND CABINET

MEMORANDUM

TO: Air Commodore Mark Gower OAM retd
Official Secretary, Office of the Governor

FROM: Leighton Craig
Director
Constitutional and Administrative Law Services

SUBJECT: **Governor's Monthly Briefing Notes – February**

REF: P38350 DATE:

In accordance with usual arrangements, the attached briefing notes for the month of February 2013 have been provided for the Governor's information.

An index to the briefs appears overleaf.

If you have any questions, please do not hesitate to contact me on telephone number 3225 8244.

Leighton Craig
Director
Constitutional and Administrative Law Services

Released under RTI - DPC

INDEX OF BRIEFS

s.73 Out of Scope



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GOVERNOR'S MONTHLY BRIEFING NOTES – FEBRUARY 2013

DEPARTMENT OF TRANSPORT AND MAIN ROADS

s.73 Out of Scope

Released under RTI - DPC

s.73 Out of Scope

Review of long distance passenger transport services

- On 13 February 2013, the Minister for Transport and Main Roads announced a review of government supported long distance passenger services in regional Queensland.
- Currently, the government subsidises and/or regulates a number of long distance coach and air services as well as subsidising the statewide TravelTrain network.
- A review is currently underway of a number of routes in Queensland that will examine various long-distance passenger modes, including duplication of services by air, coach and rail along particular corridors. Additionally, it will aim to ensure that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- Specifically, the review aims to:
 - determine the appropriate role of the state government in facilitating the delivery of services, either through regulation or subsidies.
 - provide recommendations to ensure value for money outcomes for the government and the public without unnecessary restriction on commercial long distance passenger transport markets (for example, deregulation of certain air routes where the market can sustain competition could be considered and may potentially create lower airfares and increase service frequency).
 - ensure regional communities continue to receive a reasonable level of access to essential services such as education and health, in major centres.
- The Minister for Transport and Main Roads has written to all Mayors and key stakeholders in the long distance passenger transport industry in Queensland inviting submissions to the review that are due by 13 March 2013.
- Members of the public will be able to provide input to the review by filling in on-board surveys and online surveys on the Get Involved website anticipated from 25 February 2013.
- All phases of the review will be completed by late 2013 that will enable the optimised regulatory and service delivery framework to be developed and to implement contracts where appropriate from 1 January 2015.

PREMIER'S VISIT TO TOWNSVILLE

March 2013

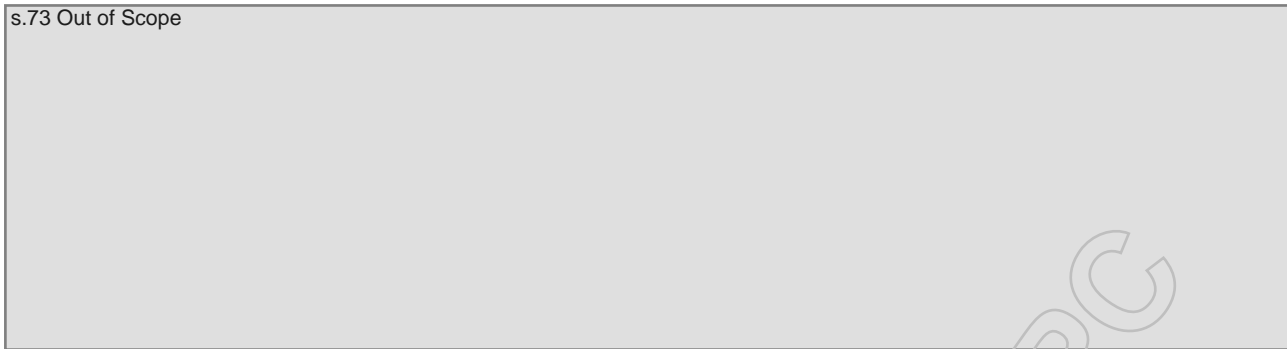
s.73 Out of Scope

Review of long distance passenger services

- On 13 February 2013 the Honourable Scott Emerson MP, Minister for Transport and Main Roads announced a review of government supported long distance air, coach and rail services in regional Queensland.
- Services that are within scope of the review within the Townsville area are:
 - Mt Isa to Townsville (long distance coach service route)
 - Charters Towers – Townsville (long distance coach service route)
 - Townsville – Cloncurry – Mt Isa (air service route)
 - Townsville – Winton – Longreach (air service route)
 - Townsville – Hughenden – Richmond – Julia Creek – Mt Isa (air service route)
 - Townsville – Mt Isa (Inlander - rail service route).
- The review will examine the duplication of connections along particular passenger transport corridors and will aim to ensure that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- Consultation is currently being undertaken with key stakeholders from local government, industry and passengers of the services. This consultation will occur through a variety of methods, including formal submissions and passenger surveys. All phases of the review will be completed by late 2013.

Released under RTI - DPC

s.73 Out of Scope



Released under RTI - DPC

PREMIER'S VISIT TO ROCKHAMPTON

March 2013

s.73 Out of Scope

Review of long distance passenger services

- On 13 February 2013 the Honourable Scott Emerson MP, Minister for Transport and Main Roads announced a review of government supported long distance air, coach and rail services in regional Queensland.
- Services that are within scope of the review within the Rockhampton area are:
 - Emerald to Rockhampton (long distance coach service route)
 - Toowoomba to Rockhampton (long distance coach service route).
- The review will examine the duplication of connections along particular passenger transport corridors and will aim to ensure that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- Consultation is currently being undertaken with key stakeholders from local government, industry and passengers of the services. This consultation will occur through a variety of methods, including formal submissions and passenger surveys. All phases of the review will be completed by late 2013.

Released under RTI - DPC

s.73 Out of Scope



Released under RTI - DPC



**PREMIER'S VISIT TO TOWNSVILLE
22-24 MARCH 2013**

TOWNSVILLE CITY COUNCIL PROFILE

s.73 Out of Scope

Released under RTI - DPC

Pages 172 through 180 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

Review of long distance passenger services

- Services that are within scope of the review of Government supported long distance air, coach and rail services in regional Queensland in the Townsville area are:
 - Mt Isa to Townsville (long distance coach service route)
 - Charters Towers – Townsville (long distance coach service route)
 - Townsville – Cloncurry – Mt Isa (air service route)
 - Townsville – Winton – Longreach (air service route)
 - Townsville – Hughenden – Richmond – Julia Creek – Mt Isa (air service route)
 - Townsville – Mt Isa (Inlander - rail service route).
- The review will examine the duplication of connections along particular passenger transport corridors and will aim to ensure that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- Consultation is currently being undertaken with key stakeholders from local government, industry and passengers of the services. This consultation will occur through a variety of methods, including formal submissions and passenger surveys. All phases of the review will be completed by late 2013.

Pages 182 through 183 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

**PREMIER'S VISIT TO ROCKHAMPTON
22-24 MARCH 2013**

ROCKHAMPTON REGIONAL COUNCIL PROFILE

s.73 Out of Scope

Released under RTI - DPC

Pages 185 through 190 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

Long distance passenger services

- On 13 February 2013, the Minister for Transport and Main Roads announced a review of State Government supported long distance air, coach and rail services in regional Queensland. Services that are within scope of the review within the Rockhampton area are Emerald to Rockhampton (long distance coach service route) and Toowoomba to Rockhampton (long distance coach service route).

- The review will examine the duplication of connections along particular passenger transport corridors and will aim to ensure that government's existing investment provides the best possible outcome for regional communities.
- Consultation is currently being undertaken with key stakeholders from local government, industry and passengers of the services. This consultation will occur through a variety of methods, including formal submissions and passenger surveys, with the review to be completed by late 2013.

s.73 Out of Scope

Released under RTI - DPC

Page 193 redacted for the following reason:

s.73 Out of Scope

Released under RTI - DPC

PREMIER'S VISIT TO TOWNSVILLE

February 2013

s.73 Out of Scope

Released under RTI - DPC

Review of long distance passenger services

- On 13 February 2013 the Honourable Scott Emerson MP, Minister for Transport and Main Roads announced a review of government supported long distance air, coach and rail services in regional Queensland.
- Services that are within scope of the review within the Townsville area are:
 - Mt Isa to Townsville (long distance coach service route)
 - Charters Towers – Townsville (long distance coach service route)
 - Townsville – Cloncurry – Mt Isa (air service route)
 - Townsville – Winton – Longreach (air service route)
 - Townsville – Hughenden – Richmond – Julia Creek – Mt Isa (air service route)
 - Townsville – Mt Isa (Inlander - rail service route).
- The review will examine the duplication of connections along particular passenger transport corridors and will aim to ensure that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- Consultation is currently being undertaken with key stakeholders from local government, industry and passengers of the services. This consultation will occur through a variety of methods, including formal submissions and passenger surveys. All phases of the review will be completed by late 2013.

Confidential

- Officers are currently developing the schedule of service stakeholder forums with Air and Coach operators for March and April 2013 and is subject to confirmation and availability.
- TMR is utilising existing mechanisms for stakeholder forums within the current contracting framework to ensure that the cost of the forums is constrained and in keeping with current industry and community expectations in regional Queensland. Typical attendees include:
 - Local government representatives
 - Operator representatives
 - Transport and Main Roads Representatives
 - Local business partners and interest groups
 - Members of Parliament

**THURSDAY ISLAND COMMUNITY CABINET
26 & 27 MAY 2013
PROPOSED LIST OF CONTENTIOUS ISSUES BRIEFING TOPICS**

s.73 Out of Scope

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Page 197 redacted for the following reason:

s.73 Out of Scope

Released under RTI - DPC

s.73 Out of Scope

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MINISTER FOR TRANSPORT AND MAIN ROADS

s.73 Out of Scope

- 4. Review of long distance passenger services** - Consultation with key stakeholders and operators has progressed through regular Air and Coach User Group meetings held in March and April. At one meeting held by Qantas on Thursday Island on 8 April, Department of Transport and Main Roads representatives provided a presentation on the scope and process of the Review.

Released under RTI/DPC

Pages 200 through 203 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

THURSDAY ISLAND COMMUNITY CABINET MEETING

26 – 27 MAY 2013

CONTENTIOUS ISSUES TOPICS

DIVISION	ISSUE	COMMENT
IMD	<p>TRANSPORT AND MAIN ROADS</p> <p style="text-align: center;">Released under RTI - DPC</p> <p>s.73 Out of Scope</p>	
IMD		
IMD		

DIVISION	ISSUE	COMMENT
TransLink	4. Review of long distance passenger services	<p>Consultation with key stakeholders including operators has been progressed through regular Air and Coach User Group meetings during March and April, including one held by Qantas on Thursday Island on 8 April Island at which TMR representatives provided a presentation on the scope and process of the Review. TMR is advised that since the meeting a media article has appeared in the Torres Strait News.</p>

Released under RTI - DPC

DEPARTMENT OF THE PREMIER AND CABINET

MEMORANDUM

TO: Air Commodore Mark Gower OAM retd
Official Secretary, Office of the Governor

FROM: Leighton Craig
Director
Constitutional and Administrative Law Services

SUBJECT: Governor's Regional Briefing Note – Cape York/Far North Queensland

REF: TF/13/9939 **DATE:** 20 May 2013

Attached is a briefing note as requested for the Governor's visit to Cape York/Far North Queensland.

An index to the briefs appears overleaf.

If you have any questions, please do not hesitate to contact me on telephone number 3225 8244.

Leighton Craig
Director
Constitutional and Administrative Law Services

Released under RTI-DPC

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GOVERNOR'S REGIONAL BRIEFING NOTE – CAPE YORK/FAR NORTH QUEENSLAND

DEPARTMENT OF TRANSPORT AND MAIN ROADS

s.73 Out of Scope

Released under RTI - DPC

Review of long distance passenger services

- On 13 February 2013 the Minister for Transport and Main Roads, announced a review of government supported long distance passenger services in regional Queensland.
- The Queensland Government supports certain long distance air, coach and rail services to ensure that communities in regional and remote Queensland have a reasonable level of access to essential goods and services in major centres.
- The review aims to ensure that government support for long distance coach, air and rail services continues to provide the best possible outcome for regional communities.
- Services in the far north that are within scope for the review are:
 - air services between Cairns and Weipa;
 - air services between Cairns and Horn Island; and
 - long distance coach services between Cairns and Cooktown.
- Consultation has been undertaken with key stakeholders from local government, industry and passengers. As part of this process, consultative forums have been held state-wide. In far north Queensland, meetings were held in Cooktown on 28 February 2013, Thursday Island on 8 April 2013 and Weipa on 9 April 2013.
- The outcomes of the review will be available this year with new contracts introduced from 1 January 2015.

Released under RTI/DRG

Review of Long Distance Services

RESPONSE

- On 13 February 2013 the Minister for Transport and Main Roads, announced a review of government supported long distance passenger services in regional Queensland.
- The Queensland Government supports certain long distance air, coach and rail services to ensure that communities in regional and remote Queensland have a reasonable level of year round access to essential goods and services in major centres.
- The review aims to ensure that government support for long distance coach, air and rail services continues to provide the best possible outcome for regional communities.
- Services that impact Thursday Island within scope for the review are:
 - Regulated air services between Cairns and Horn Island
 - Consultation has been undertaken with key stakeholders from local government, industry and passengers.
 - Representatives of the Department of Transport and Main Roads (TMR) consulted key stakeholders on Thursday Island in relation to the review on 8 April 2013.
 - TMR is currently consolidating feedback received from key stakeholders, with the outcomes of the review to be announced later this year.

BACKGROUND

- The review will examine the duplication of connections along particular passenger transport corridors and will aim to ensure that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- Consultation has occurred through a variety of methods, including formal submissions and passenger surveys which were available online and onboard services.

Contact: External Affairs
Department: Transport and Main Roads
Telephone: (07) 3338 4438
Date: 3 May 2013

Released under RTI - DPC

REVIEW OF LONG DISTANCE SERVICES

RESPONSE

- On 13 February 2013, the Minister for Transport and Main Roads announced a review of Government supported long distance passenger services in regional Queensland.
- The Queensland Government supports a blend of long distance air, coach and rail services to ensure that communities in regional and remote Queensland have a reasonable level of year round access to essential goods and services in major centres.
- Services that impact Thursday Island within the scope of the review are regulated air services between Cairns and Horn Island.
- Key stakeholders from local government, industry and passengers have been consulted.
- On 8 April 2013, representatives of the Department of Transport and Main Roads consulted key stakeholders on Thursday Island, including a representative of the Torres Shire Council in relation to the review.
- Not surprisingly, scheduling of the air service between Cairns and Horn Island has been raised as an issue.
- The Department is currently consolidating feedback, with outcomes of the review to be announced later this year.

BACKGROUND

- The review will examine the duplication of connections along particular passenger transport corridors and aims to ensure that Government's existing investment provides the best possible outcomes for regional communities.
- The Department of Transport and Main Roads (TMR) consulted with local government, industry and passengers over the course of the review. The Honourable Scott Emerson MP, Minister for Transport and Main Roads wrote to the Mayor of the Torres Strait Island Regional Council and the Torres Shire Council on 13 February 2013. Neither Council has provided a submission.
- TMR Officers consulted with key stakeholders, including a representative of the Torres Shire Council, at Thursday Island on 8 April 2013. General themes

that were raised included: scheduling of the air service between Cairns and Horn Island and a request for a subsidy for ferry services above what is currently provided (advice was provided that this was outside the scope of the review).

- The Chief Executive Officer of Torres Strait Island Shire Council has requested a formal meeting at the Thursday Island Community Cabinet with Minister Emerson to discuss: Ugar Access, Regulated and subsidised air services and a feasibility study for ferry services.
- With respect to services to Ugar, TMR advises that it is unable to consider funding for passenger services due to the current fiscal environment and notes that provision of passenger services to Ugar is not viable due to environmental and infrastructure constraints.
- Ugar is an island situated in the eastern section of the Torres Strait, also called Stephen Island. It is the smallest community in the Torres Strait - the current population of Ugar Island is around 70-80 people. There is no airstrip, and access is only by dinghy via Darnley Island or by helicopter. Ugar is serviced fortnightly by a barge service for freight requirements from Port Kennedy, however deliveries can be missed if the tides are not suitable, due to approximately 600 metres of exposed reef flats at low tide.
- In the Torres Strait, TMR restricts competition on the air route between Horn Island and Cairns but does not subsidise the service that is currently operated by QantasLink. TMR also has a contract with the ferry operator between Seisia and Thursday Island, to reimburse the operator for the revenue foregone in the provision of concessions.
- In terms of scheduled air services to the outer islands, West Wing operates daily scheduled air services to the majority of the Torres Strait Islands on a commercial basis. Other operators also offer charter services in the Torres Strait.

Contact: Erin Spence
Department: Transport and Main Roads

Telephone: 3338 4438
Date: 3 May 2013
DPC TRIM Ref: DOC/13/80385

**PREMIER'S VISIT TO BURKETOWN, CENTURY MINE,
DOOMADGEE AND KARUMBA
29 May 2012**

COUNCIL PROFILES

s.73 Out of Scope

Released under RTI - DPC

Pages 215 through 224 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

Long distance passenger services - review

- On 13 February 2013, Minister Emerson announced a review of Government supported long distance air, coach and rail services in regional Queensland. The outcomes of the review will be available later in 2013.
- The scope of the review includes regulated and subsidised air services (Townsville – Hughenden – Richmond – Julia Creek – Mount Isa) and subsidised long distance coach (Mt Isa – Cloncurry - Julia Creek - Richmond, Hughenden, Prairie, Torrents Creek – Pentland – Homestead - Balfe's Creek - Charters Towers – Woodstock - Townsville) and rail services (Mount Isa – Duchess – Cloncurry - Julia Creek – Richmond – Hughenden - Torrens Creek – Pentland - Charters Towers – Townsville) that service the Richmond community.
- The review will examine the duplication of connections along particular passenger transport corridors and will aim to ensure that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- Consultation has been undertaken with key stakeholders from local government, industry and passengers of the services through a variety of methods, including formal submissions, passenger surveys and consultative meetings throughout the state.
- On 24 April 2013, Department of Transport and Main Roads officers attended a consultative meeting in Julia Creek, which was also attended by a range of key community stakeholders, including the McKinlay Shire Council and the Richmond Shire Council.

s.73 Out of Scope



Pages 226 through 232 redacted for the following reasons:

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Released under RTI - DPC

MINISTER FOR TRANSPORT AND MAIN ROADS

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**LONG DISTANCE PASSENGER SERVICES
REVIEW.....**

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Released under RTI - DFC

Pages 234 through 237 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

LONG DISTANCE PASSENGER SERVICES REVIEW

RESPONSE

- On 13 February 2013, the Minister for Transport and Main Roads announced a review of Government supported long distance passenger services in regional Queensland.
- The Queensland Government supports a blend of long distance air, coach and rail services to ensure that communities in regional and remote Queensland have a reasonable level of year round access to essential goods and services in major centres.
- Services that impact Thursday Island within the scope of the review are regulated air services between Cairns and Horn Island.
- Key stakeholders from local government, industry and passengers have been consulted.
- On 8 April 2013, representatives of the Department of Transport and Main Roads consulted key stakeholders on Thursday Island, including a representative of the Torres Shire Council in relation to the review.
- Not surprisingly, scheduling of the air service between Cairns and Horn Island has been raised as an issue.
- The Department is currently consolidating feedback, with outcomes of the review to be announced later this year.

BACKGROUND

- The review will examine the duplication of connections along particular passenger transport corridors and aims to ensure that Government's existing investment provides the best possible outcomes for regional communities.
- The Department of Transport and Main Roads (TMR) consulted with local government, industry and passengers over the course of the review. The Honourable Scott Emerson MP, Minister for Transport and Main Roads wrote to the Mayor of the Torres Strait Island Regional Council and the Torres Shire Council on 13 February 2013. Neither Council has provided a submission.

- TMR Officers consulted with key stakeholders, including a representative of the Torres Shire Council, at Thursday Island on 8 April 2013. General themes that were raised included: scheduling of the air service between Cairns and Horn Island and a request for a subsidy for ferry services above what is currently provided (advice was provided that this was outside the scope of the review).
- The Chief Executive Officer of Torres Strait Island Shire Council has requested a formal meeting at the Thursday Island Community Cabinet with Minister Emerson to discuss: Ugar Access, Regulated and subsidised air services and a feasibility study for ferry services.
- With respect to services to Ugar, TMR advises that it is unable to consider funding for passenger services due to the current fiscal environment and notes that provision of passenger services to Ugar is not viable due to environmental and infrastructure constraints.
- Ugar is an island situated in the eastern section of the Torres Strait, also called Stephen Island. It is the smallest community in the Torres Strait - the current population of Ugar Island is around 70-80 people. There is no airstrip, and access is only by dinghy via Darnley Island or by helicopter. Ugar is serviced fortnightly by a barge service for freight requirements from Port Kennedy, however deliveries can be missed if the tides are not suitable, due to approximately 600 metres of exposed reef flats at low tide.
- In the Torres Strait, TMR restricts competition on the air route between Horn Island and Cairns but does not subsidise the service that is currently operated by QantasLink. TMR also has a contract with the ferry operator between Seisia and Thursday Island, to reimburse the operator for the revenue foregone in the provision of concessions.
- In terms of scheduled air services to the outer islands, West Wing operates daily scheduled air services to the majority of the Torres Strait Islands on a commercial basis. Other operators also offer charter services in the Torres Strait.

Contact: Erin Spence
 Department: Transport and Main Roads

Telephone: 3338 4438
 Date: 3 May 2013
 DPC TRIM Ref: DOC/13/80385

Pages 240 through 241 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

REVIEW OF LONG DISTANCE SERVICES

RESPONSE

- The Queensland Government has undertaken a review of long distance services to provide the best possible outcome for regional communities.
- The review examined air, coach and rail services currently supported by the Queensland Government.
- The review examined the duplication of connections along particular passenger transport corridors with the aim of ensuring that government's existing investment provides the best possible outcome for regional communities for every dollar invested.
- It should be noted that services which operate to and from Gladstone, providing essential connections to other major regional centres, are fully commercial (except Traveltrain services) and were therefore not included in the review.
- Community consultation was undertaken, with 7,200 responses received from passengers, local government, operators and industry.
- The six month action plan (July – December 2013) identifies the review as a Queensland Government priority. The Queensland Government will respond to the recommendations arising from the review and will announce outcomes, including network changes, later this year.

BACKGROUND

- The Long Distance Services review was announced by the Minister for Transport and Main Roads in February 2013. The review has focussed on 10 air routes – 5 of which are subsidised, 16 subsidised coach routes and the Westlander and Inlander subsidised rail routes.
- In 2011/12 the Queensland Government provided over \$40 million in subsidies for these long distance passenger services of which around \$8.7 million for air services, \$3.4 million for long distance coach services and \$28.1 million for the Westlander and Inlander passenger rail services.
- The review will ensure that communities receive the best outcome for each dollar invested.
- The full outcomes of the review are expected to be publicly announced in late 2013.

Contact: Belinda Lewis
Department: Transport and Main Roads

Telephone: 3338 4298
Date: 1 October 2013
DPC TRIM Ref: DOC/12/

Released under RTI-DPS

REVIEW OF LONG DISTANCE TRANSPORTATION SERVICES

RESPONSE

- The Queensland Government has undertaken a review of long distance services to provide the best possible outcome for regional communities.
- The review examined air, coach and rail services currently supported by the Queensland Government.
- Duplication of connections along particular passenger transport corridors was examined with the aim of ensuring that Government's existing investment provides the best possible outcome for regional communities.
- Services that operate to and from Gladstone, providing essential connections to other major regional centres, are fully commercial (except Traveltrain services) and were therefore not included in the review.
- Community consultation was undertaken, with 7,200 responses received from passengers, local government, operators and industry.
- The six-month action plan (July – December 2013) identifies the review as a Queensland Government priority. The Government will respond to the recommendations arising from the review and will announce outcomes, including network changes, later this year.

BACKGROUND

- The Long Distance Services review was announced by the Minister for Transport and Main Roads in February 2013. The review has focussed on 10 air routes (five of which are subsidised), 16 subsidised coach routes and the Westlander and Inlander subsidised rail routes.
- In 2011-12, the Queensland Government provided over \$40M in subsidies for these long distance passenger services, including \$8.7M for air services, \$3.4M for long distance coach services and \$28.1M for the Westlander and Inlander passenger rail services.
- The review will ensure that communities receive the best outcome for each dollar invested.
- Full outcomes of the review are expected to be publicly announced in late 2013.

Contact: Belinda Lewis
Department: Transport and Main Roads

Telephone: 3338 4298
Date: 1 October 2013
DPC TRIM Ref: DOC/13/184705

Released under RTI

MINISTER FOR TRANSPORT AND MAIN ROADS

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REVIEW OF LONG DISTANCE TRANSPORTATION SERVICES

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Released under RTI - DPC

Pages 247 through 248 redacted for the following reasons:

s.73 Out of Scope

Released under RTI - DPC

REVIEW OF LONG DISTANCE TRANSPORTATION SERVICES

RESPONSE

- The Queensland Government has undertaken a review of long distance services to provide the best possible outcome for regional communities.
- The review examined air, coach and rail services currently supported by the Queensland Government.
- Duplication of connections along particular passenger transport corridors was examined with the aim of ensuring that Government's existing investment provides the best possible outcome for regional communities.
- Services that operate to and from Gladstone, providing essential connections to other major regional centres, are fully commercial (except Traveltrain services) and were therefore not included in the review.
- Community consultation was undertaken, with 7,200 responses received from passengers, local government, operators and industry.
- The six-month action plan (July – December 2013) identifies the review as a Queensland Government priority. The Government will respond to the recommendations arising from the review and will announce outcomes, including network changes, later this year.

BACKGROUND

- The Long Distance Services review was announced by the Minister for Transport and Main Roads in February 2013. The review has focussed on 10 air routes (five of which are subsidised), 16 subsidised coach routes and the Westlander and Inlander subsidised rail routes.
- In 2011-12, the Queensland Government provided over \$40M in subsidies for these long distance passenger services, including \$8.7M for air services, \$3.4M for long distance coach services and \$28.1M for the Westlander and Inlander passenger rail services.
- The review will ensure that communities receive the best outcome for each dollar invested.
- Full outcomes of the review are expected to be publicly announced in late 2013.

Contact: Belinda Lewis
Department: Transport and Main Roads

Telephone: 3338 4298
Date: 1 October 2013
DPC TRiM Ref: DOC/13/184705

Released under RTI/DPS

For reply please quote: ECP/NL – TF/14/3949 – DOC/14/37142

Mr John Borghetti
Chief Executive Officer
Virgin Australia
56 Edmondstone Road
BOWEN HILLS QLD 4006

Dear Mr Borghetti

Thank you for your letter of 24 February 2014 about the Brisbane–Roma–Charleville (BRC) flight route.

Firstly, please be assured that this Government regards Virgin Australia as one of Queensland's greatest corporate citizens. As you know, the Queensland Government provided Virgin with substantial financial and other assistance in its early years to help it establish itself here in this state.

I can't overstate the fact that we're absolutely committed to providing the best possible economic governance for this state, including doing what we can to reduce red tape and regulation and encouraging a competitive and efficient aviation sector. Indeed, the points you make about the Government's role in regulating aviation routes are well made and, in general, I agree with what you are saying. Certainly, I'm very aware that it's not in the Government's interest, or that of Queensland taxpayers, to subsidise passenger transport, including airline routes, any more than we absolutely have to.

That said, we're also committed to ensuring Queenslanders in remote and regional areas have access to reliable and affordable transport. As I'm sure you'd appreciate, the Government needed to consider a range of advice and stakeholder views about the BRC flight route. While I appreciate your point of view, the Government has decided that deregulating the BRC route at this time isn't in the best interests of regional Queenslanders.

I hope that this decision will not discourage Virgin from tendering for the BRC flight route when it is announced in the near future. I look forward to Virgin being an enthusiastic participant in this process. Further information on the tender process for the BRC flight route, along with a number of other air routes throughout regional Queensland, upcoming industry briefings and how to register interest can be found online at www.tmr.qld.gov.au by clicking on (1) 'Travel-and-transport', (2) 'qconnect' and (3) 'Review-of-long-distance-passenger-services'.

In closing, I assure you that we'll continue to support Virgin in whatever way we reasonably can, including ensuring fair opportunities to obtain government travel business. On this last point, our air travel policy is constantly being reviewed to ensure that it's up to date and delivering value for taxpayers. Indeed, it's very much this Government's policy for agencies to choose best value fares. I'm told that this has been good for Virgin's business.

I look forward to working with you and Virgin Australia in the future.

Yours sincerely

CAMPBELL NEWMAN

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Pages 253 through 254 redacted for the following reasons:

Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration

Released under RTI - DPC

Lucas Clarke

From: Glenys Jenkin
Sent: Tuesday, 25 February 2014 10:31 AM
To: Nadia Cecil
Subject: FW: Letter from John Borghetti to Premier Campbell Newman
Attachments: Premier Campbell Newman letter.pdf

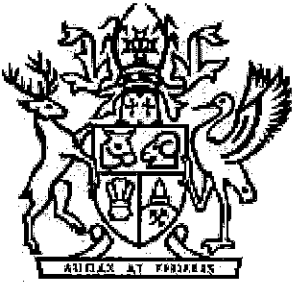
For registration please and return with a blue sheet – thanks
G

From: Carly Blaik [<mailto:Carly.Blaik@ministerial.qld.gov.au>]
Sent: Tuesday, 25 February 2014 10:29 AM
To: Glenys Jenkin
Subject: FW: Letter from John Borghetti to Premier Campbell Newman

Hi Glenys,

Correspondence for the Premier for registering.

Carly



Carly Blaik
Executive Assistant to the Premier
Office of the Hon. Campbell Newman MP | Premier of Queensland

Phone: 07 3719 7000 | Fax: 07 3221 1809 |
Executive Building | 100 George Street | Brisbane | QLD 4000
PO Box 15185 | City East | Brisbane | QLD 4002
Great State. Great Opportunity.

From: Christine Lewis [<mailto:Christine.Lewis@virginaustralia.com>]
Sent: Monday, 24 February 2014 4:18 PM
To: Carly Blaik
Subject: Letter from John Borghetti to Premier Campbell Newman

Dear Carly,

Attached is a letter from John Borghetti to the Premier.

Thank you.

Best regards,
Christine



Christine Lewis | Executive Assistant to John Borghetti, Chief Executive Officer
56 Edmondstone Road, Bowen Hills QLD 4006, Australia
P +61 7 3295 3116 | M [S.73 Telephone Num](tel:+61732953116)
F +61 7 3252 0063
E christine.lewis@virginaustralia.com

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Premier's Correspondence Instruction Sheet

CONTACT BY PHONE (5 DAYS)
URGENT DATE TO BE PROVIDED
BRIEF REQUESTED
DRAFT STANDARD WORDING
PREMIER MEETING REQUEST
ASHGROVE
ADDRESS IN TRIM
NO FURTHER ACTION

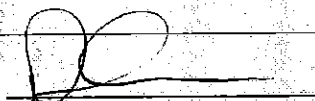
TRIM STAMP FOR ECU

Digitised?	YES	NO
If digitised, this is now an ELECTRONIC DOCUMENT. ENTER ALL DATA in TRIM.		
Related Records		
Date	27 FEB 2014	in
Received		DPC
Document No:		
File No:		
Tracking Folder No:	17/14/3949	

Action Required	Tick
Use Standard Wording	
Quick Email Response	
Relevant Dept to Draft – (excludes Health and JAG)	
Refer to Minister (DoP to Sign)	
DPC to Draft	<input checked="" type="checkbox"/>
Message of Support	
Copy to Local Member	

Signatory	Tick
Premier	<input checked="" type="checkbox"/>
Executive Officer	
Director of Policy	
Deputy Director of Policy	
Other	
RETURN DRAFT TO	
Peter Turnbull	

Instructions for Department:
 Virgin has ability to bid for Brisbane/Kangaroo/Cherwell route in Jan 15
 Also need to rebuke last part of letter

Actioned by (Policy Advisor): 

Date: 27/2/14

For reply please quote: ECP/NL – TF/14/3949 – DOC/14/37142

Mr John Borghetti
Chief Executive Officer
Virgin Australia
56 Edmondstone Road
BOWEN HILLS QLD 4006

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I look forward to working with you and Virgin Australia in the future.

Yours sincerely

CAMPBELL NEWMAN

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Lucas Clarke

From: Tracey O'Meara
Sent: Friday, 7 March 2014 9:16 AM
To: David Hourigan; Craig Wilson
Cc: Anthony Crack; Nicholas Lindsay
Subject: John Borghetti letter

David – Just spoke to the Premier's office (Peter T) for clearer advice on the regulated routes and what discussions took place with Virgin. Peter Milward had no further information.

Decision

The CBRC decision was [Exempt Sch.3(2)(1)(b) Reveal Cabinet consideration]

Press Release

Minister Emerson's media release announced three routes to be deregulated [redacted]

Advice from Premier's Office

- [redacted]
- [redacted]
- [redacted]
- [redacted]

Tracey O'Meara
Director Economic Policy
Department of the Premier and Cabinet
Telephone +61730039343
Mobile [S.73 Telephone Num]
email tracey.o'meara@premiers.qld.gov.au
web www.premiers.qld.gov.au



From: David Hourigan
Sent: Friday, 7 March 2014 8:58 AM
To: Craig Wilson; Tracey O'Meara
Subject: Fwd: John Borghetti letter

Sent from my iPhone

Begin forwarded message:

From: "David Edwards (State Development, Infrastructure and Planning)"
<david.edwards@dsdip.qld.gov.au>
Date: 7 March 2014 8:30:48 am AEST
To: David Hourigan <David.Hourigan@premiers.qld.gov.au>

Cc: John Strano <John.Strano@dsdip.qld.gov.au>

Subject: FW: John Borghetti letter

Mr Hourigan

I briefed the DP. This is not his understanding of what was intended. John Strano is finding out more from DTMR and Virgin.

Keep you posted.

DE

David Edwards
Director-General
Department of State Development, Infrastructure and Planning
Queensland Government
tel +61 7 3227 8451 (Ext 78451)
fax +61 7 3224 4683
post PO Box 15009 City East Qld 4002
visit Level 12, 100 George Street, Brisbane
david.edwards@dsdip.qld.gov.au
www.dsdip.qld.gov.au

Please consider the environment before printing this email

Great state. Great opportunity.

-----Original Message-----

From: Roslyn Raleigh
Sent: Thursday, 6 March 2014 4:03 PM
To: David Edwards
Subject: FW: John Borghetti letter

Roz Raleigh
Executive Officer
Office of the Director-General
Department of State Development, Infrastructure and Planning Queensland Government tel +61 7 3227 8451 (Ext 78451) fax +61 7 3224 4683 post PO Box 15009 City East Qld 4002 visit Level 12, 100 George Street, Brisbane roslyn.raleigh@dsdip.qld.gov.au
www.dsdip.qld.gov.au

Please consider the environment before printing this email Great state. Great opportunity.

-----Original Message-----

From: Roslyn Raleigh
Sent: Thursday, 6 March 2014 12:04 PM
To: 'David Hourigan' (David.Hourigan@premiers.qld.gov.au)
Subject: John Borghetti letter

David

David Edwards asked me to send a copy of the attached letter from John Borghetti to you.

Kind regards

Roz Raleigh

Executive Officer

Office of the Director-General

Department of State Development, Infrastructure and Planning Queensland Government tel
+61 7 3227 8451 (Ext 78451) fax +61 7 3224 4683 post PO Box 15009 City East Qld 4002
visit Level 12, 100 George Street, Brisbane roslyn.raleigh@dsdip.qld.gov.au
www.dsdip.qld.gov.au

Please consider the environment before printing this email Great state. Great opportunity.

Released under RTI - DPC

Deloitte.

**Department of the
Premier and Cabinet
Regulated Air Routes Contract
Renewal Special Review**

Released under the
Access to Information Act /
DPC
DRAFT

16 January 2013

Mr Jon Grayson
Director General
Department of the Premier and Cabinet
PO Box 15185
CITY EAST QLD 4002

16 January 2013

Dear Jon

Re: Regulated Air Routes Contract Renewal – Special Review

Please find attached the report from the regulated Air Routes Contract Renewal review.

If you have any questions or wish to discuss anything raised within the report, please contact me on (07) 3308 7046 or S.73 Telephone No or Graham Newton on (07) 3308 7080 or

Yours sincerely

Carl Gerrard
Partner
Deloitte Touche Tohmatsu

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Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

Our work is performed on a sample basis; we cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Recommendations and suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made by, and the information and documentation provided by DTMR personnel. We have not attempted to verify these sources independently unless otherwise noted within the report.

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1 Executive Summary

1.1 Background

Department of the Premier and Cabinet (DPC) engaged Deloitte to undertake an urgent review of the decision by the Minister for the Department of Transport and Main Roads (DTMR) to extend existing air contracts on subsidised regional routes beyond their current expiry date in March 2013 to December 2014. A summary of the key dates and findings from analysis undertaken during the period 17 – 11 January 2013 is outlined in Section 2.

1.2 Key issues


There are limitations and issues in relation to the project management by DTMR including gaps in documentation and briefs with insufficient justification and risk identification.

DTMR prepared an options brief for the Minister dated 30 July 2012 which recommended that to allow time for the completion of the Regional Network Analysis (RNA) Stage 3, that the Air services contract be extended to December 2014. One of the objectives of the RNA 3 is to undertake a comprehensive intermodal review (rail, air and coach) to ensure the state government subsidies for routes are complementary and cost effective. To complete this review prior to March 2013 was considered at the time to not be feasible due to delays in RNA 2 and availability of the necessary internal resources. Therefore DTMR recommended to the Minister that he approve a contract extension period so that sufficient time could be spent on the RNA 3 project prior to going out to market.

Extending a contract without consulting other potential suppliers is appropriate so long as it is within the original request for proposal and contract terms and conditions.

There were a range of steering committee meetings and briefs, demonstrating that there was active consideration of RNA 3 and the contract extension between January and July when the Ministerial briefing note was prepared recommending the extension.

Exempt Sch.3(7) Legal Professional Privilege



2 Analysis of the Decision by DTMR to Extend Current Air Contracts

2.1 Overall summary

- Based on documents reviewed and people interviewed it is apparent that the process adopted throughout Regional Network Analysis Stage 3 (RNA) was consistent with a holistic review that incorporated an intermodal review of coach, rail and aviation transport
- The review did consider and incorporate some planning and timeline documents, formation of Steering Groups and internally documented meetings to reflect considerations and decisions made at various stages of the RNA
- Ministerial Decision Brief MBN16181 dated 30 July 2012 did not consider or document the risk attached to the 3 options being considered as part of the RNA
 - Option 1 – Extend contracts and allow review
 - Option 2 – Tender and no review
 - Option 3 – Undertake review and remove high performing air routes

• Exempt Sch.3(7) Legal Professional Privilege

- Context of briefing on Option 1 lacked detail in relation to Air Contracts and what the RNA 3 review would cover
- Contemplation to extend contracts was discussed in May 2012 (9 May RNA Steering Committee meeting)
- Coach and Air contracts have been extended to December 2014. Rail has not been extended and is due to expire June 2013

•

•

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2.2 Original contracts

- There were three original Air Services Contracts entered into, all due to expire on 31 March 2013. These were with Regional Express (REX), QantasLink and Skytrans
- The terms and rights of extension clauses in all three contracts provides for extension provisions of between 3 – 6 months

• Exempt Sch.3(7) Legal Professional Privilege



- Our review of the Air Services Tender Information Pack 2007 provided to suppliers outlines a number of requirements and in particular a detailed table of requirements for all routes outlined the Term of the contract as "From the Commencement Date until 31 December 2012 (subject to Contract Clause 2.2 (Right of Extension))." We note that the contract extension clause is actually Clause 1.2 and assume that this is an error in the Tender Documentation. A copy of the draft Air Services contract September 2007 included with the tender pack details Clause 1.2 covers Right of Extension.

- Parties that tendered for each route are outlined in the table below:

Route	Horn Island	Weipa	Northern 1-3	Central 1&2	Western 1&2	Gulf
Tender Operators	Qantas Link CTPI - Business	Qantas Link	Regional Pacific Airlines	Qantas Link	MacAir MacAir	Sky Trans

- It should be noted that Virgin Blue were invited to tender but did not at the time. Review of the RNA Tender Process Contact Register – Air indicated that Virgin Blue via email on the 19 September 2007 “thanked QT for the email- expressed that Virgin Blue were not interested in the tender process.”
- The Air Services Tender Information Pack for RTP 140A09 covering the Northern, Western and Gulf Subset outlines the term “From the Commencement Date until 31 March 2013 (subject to Contract Clause 2.2 (Right of Extension))”

Exempt Sch.3(7) Legal Professional Privilege

- Based on clause 1.2 of the original contract, Skytrans’ contract has been extended by six months to 30 September 2013 under the current level of subsidy. TMR has reserved its rights in relation to a possible further extension of contract with Skytrans beyond 30 September 2013 or an open tender process for the three routes currently operated by Skytrans

2.3 Contract extension

- Our review of the Quarterly contract review meetings held early in 2012 between the contracted parties indicated that contract extensions were being discussed with the contractors as early as March 2012

Contractor	Quarterly Review details
Qantas Link	<p>Friday 11 May 2012 – Agenda Item 6. QantasLink advised that “<i>the department is seeking approval from the Minister to undertake the review of contracted air services</i>”.</p> <p>Friday 7 September 2012 – Agenda Item 6. Advised that “<i>it is most likely the review of the contracted air services will progress and contracts will be extended. QantasLink will be notified when further information is available.</i>”</p> <p>It is noted that an email dated 11 September 2012 from Tony Meredith to Ryan Huelin indicated that the Minister had approved the decision. This is five days after QantasLink was advised.</p>
Sky Trans	<p>Thursday 25 October 2012 – Advised current contracts extended until 31 December 2014 and confirmed a letter of extension was sent to SkyTrans. Advised a Deed of Variation will be prepared on acceptance of the offer.</p>
Regional Express	<p>Wednesday 14 March 2012 – Agenda Item 6 – advised that due to caretaker mode, the department is unable to discuss the developments of RNA 3 in detail. Advised that “<i>at this stage contracts are planned to be extended to</i></p>

¹ Note that all three contracting parties received Extend to Services Contracts dated 18 October 2012.

Contractor Quarterly Review details

*December 2013*².

Thursday 13 September 2012 – Agenda item 6 – advised that *“the decision on the review of contracted air services is still pending. However Rex was advised that contracts would be extended until 31 December 2014. Rex advised they would be comfortable with an extension.”*

- The contract extensions were discussed at the former DTMR RNA 3 Steering Committee on 9 May where it was stated that *“The need to extend contracts until December 2014 to allow time to finalise the review process was discussed considering work is required to be undertaken internally”*
- We understand that in June/July Acting GM Passenger Transport Integration Mr Peter Milward had a discussion with Executive Director Economic Policy Department for the Premier and Cabinet and Director Transport Area Queensland Treasury during which the issue of extending contracts was raised
- The RNA 3 Steering Committee was advised on 3 August 2012 of advice regarding extensions to contracts where it also noted that the both agencies *“support concept of extending contracts but would require further discussions about the project”*
- This review has not identified any additional evidence of further advice regarding contract extensions being provided to the Executive Director Economic Policy Department for the Premier and Cabinet and Director Transport Area Queensland Treasury
- At this meeting it was also noted that the Ministerial Decision Brief MBN16181 was with the DDG
- The timeline prepared in the form of a Gantt Chart (V2) included the consideration to extend the current contracts on or about 24 September 2012²
- Minutes of RNA 3 Policy Workshop meeting on 20 September 2012, at Agenda Item 2 noted that *“...importantly attendees were advised that Ministerial approval had been provided for current air and coach contracts to be extended to December 2014 which will allow time to conduct the RNA 3 process”*
- DTMR received via email information requests from Virgin Australia
 - on the 17 September 2012 regarding Qld Airports and Regulated Air Transport Plan their request was specifically around the Central 1 route Brisbane – Roma - Charleville –Roma – Brisbane
 - on the 16 October 2012 regarding several matters including commencement dates of the Brisbane –Roma, Cairns – Weipa and Townsville-Cloncurry- Mt Isa. The response provided to Virgin Australia by the Department did not advise the commencement dates
- DTMR and the parties have exchanged correspondence – letters of arrangement proposing to extend the services contract on the 18th October 2012. Exempt Sch.3(7) Legal Professional Priv

² Note Version 3 of this document has since been prepared which does not reflect contract extensions

Exempt Sch.3(7) Legal Professional Privilege

- Following the advice provided by Neil Scales on 11 January 2013, Skytrans' contract has been extended by six months to 30 September 2013 under the current level of subsidy based on clause 1.2 of the original contract. TMR has reserved its rights in relation to a possible further extension of contract with Skytrans beyond 30 September 2013 or an open tender process for the three routes currently operated by Skytrans.

2.4 Consultation and communication plan

- A draft consultation and communication plan was developed which references a media release by the Minister. A draft media release was provided to the Minister on the 30 October 2012 for consideration we understand that the media release was never issued. This referenced RNA 3 and the contract extensions
- The draft communication and consultation plan also listed stakeholders that would be consulted "seeking submissions" which included Virgin, Jetstar, Hinterland Aviation and others
- The draft communication and consultation plan also listed risks and opportunities which included "Raising community and industry expectations". The mitigation / support strategy outlined for this risk/opportunity included (1) engagement through the consultation process (2) make it clear that this is an exploratory process and (3) adequately brief the Minister on the project scope and provide regular status updates.

2.5 Options

The options open to Government rely on the legality of the of the extension letters.

The issue to contend with is whether in the absence of a formal deed of variation covering the proposed extension allows:

- The CEO the ability to revoke the regulation (first declared on 1 October 2012) on the relevant routes under question –
 - Brisbane-Roma-Charleville-Roma-Brisbane
 - Townsville-Cloncurry-Mt Isa-Cloncurry-Townsville
 - Cairns --Weipa- Cairns
- DTMR to withdraw its offer to extend the services contract (Clause 34.5) deems no variation to the service contract will be effective "unless it is in writing and duly executed by the parties or signed by the parties giving it
- DTMR may grant rights or benefits under Section 3.3 (Air Services Contract). This could be further investigated

2.6 Lessons learnt – observations regarding decision making process

2.6.1 Documentation of proper process and advice sought

Exempt Sch.3(7) Legal Professional Privilege

The original contracts entered into in 2008 state that the contract can be extended by 3-6 months. There was no reference to the contract terms and conditions in the Ministerial briefing note in July 2012. In addition, there was no mention of the risks of extending the contracts until December 2014 in the brief to the Policy Advisor for the Minister for Transport and Main Roads.

The conversation during which DTMR discussed the contract extension with Treasury and DPC on or about June/July 2012 was verbal and not documented.

The Project Gantt chart on the RNA whilst detailed and inclusive of a number of key milestones particularly in version 2 has not been maintained. (The most recent version 3 is dated August 2012 and the dates in the two prior versions vary significantly).

2.6.2 Lack of continuity in project management

DTMR staff working on RNA 3 and contract extensions were temporary and some ceased employment on 30 June. Without adequate handover and documentation, this may have contributed to gaps in the knowledge of staff remaining in DTMR responsible for continuing with RAN3.

There have been a number of senior management changes in DTMR and more recently, structural changes and lines of reporting due to the merger of TransLink into DTMR. Again, without adequate handover and documentation, this lack of continuity in the responsibility for the project could impact on knowledge of staff now responsible for the delivery of the project.

3 Email examination

3.1 Objectives of the email examination

We conducted a forensic email examination on the mailboxes of 11 DTMR employees. The main objective of this exercise was to identify communication between parties external and/or internal relating to:

- who received the internal legal advice Exempt Sch.3(7) Legal Professional Privilege
- any correspondence as to why this advice was not acted on
- who was involved in the preparation of the Ministerial Briefing Note (was the legal advice ever mentioned during this preparation and was there any reasoning as to why it was subsequently omitted from the final Briefing Note), and
- if there is any evidence of non-arm's length dealings between Departmental staff and REX, Skytrans and/or Qantaslink, particularly in relation to the extension of the contracts.

3.2 Forensic email examination procedure

On 24 December 2012, we received mailbox backups from January 2012 to December 2012 related to 11 employees. The total data size was 1.5 Terabytes and subsequently included over 3.5 million emails. We have adopted the following forensic procedure in relation to processing the data:

- We created a forensic image of all the data received in order to have a working copy of the data. This allowed the integrity of the original data to remain intact
- We indexed the data using in-house forensic technology software
- The final case created for the 11 employees included over 3.5 million emails. We therefore ran a de-duplication process across the emails which reduced the unique email data set down to approximately 600,000 emails
- From our understanding of the issues and the objectives of the email examination, we created a list of key words and phrases to search across the data set. For the searches that resulted in a large volume of results, we filtered across the applicable dates of interest namely - 1 December 2011 to present day
- We have reviewed over 20,000 emails and documents (some of the documents and emails were duplicated across each of the custodians as they were either sent or CC'd with the original email.

3.3 Email examination findings

We reviewed over 20,000 emails and documents and our detailed findings are outlined below.

- There is a word document attached to an email dated 5 March 2012 from Peter McCullough to Warwick Lodge of Rex entitled: *'Final Rex 28 November 2011 Quarterly Review Meeting Minutes'* where the possibility of a contract extension is discussed. It reads – *"MG advised as there is only 1 ¼ years until the end of the contract, it is highly likely the current contract will be extended to at least the end of the 2013 financial year, or calendar year. Further advice will be provided when known. WL advised REX would be comfortable with a contract*

extension". This email appears to indicate that Rex was being advised in November 2011 that the contracts would likely be extended until December 2013

• Exempt Sch.3(7) Legal Professional Privilege

- There is a memo addressed to Ryan Huelin dated 27 February 2012 that appears to have been created by Martin Grace which outlines a business case for the appointment of a Senior Project Officer. It provides an overview of the RNA projects and describes how the air and coach contracts are coming to an end and *'The department is proposing to extend all of these contracts to 31 December 2013'*. It makes no reference to [REDACTED]. [REDACTED] Martin Grace created the first draft and approved the final which was subsequently submitted to Zoe Bond in another email sent from Amanda Fairley on 27 February 2012
- On 4 May 2012 there is an email with the subject *'RNA 3 Ministerial Briefing Note'* and a word attachment *'RNA 3 Ministerial Briefing Note_DRAFT'* from Katie Pekaj to Kelly Amour, Belinda Lewis, Martin Grace, Christopher Basche and Peter McCullough. The email requested feedback and comments on the content. The briefing note contains five options for the Minister to consider (as opposed to three in the final briefing note) and the extension date is 31 December 2013 (as opposed to 31 December 2014 in the final briefing note), the options outlined are:
 - *Option 1 (preferred option)*
Continue with the review as planned with long distance passenger rail included as part of the review. Extensions would be sought for existing air and long distance coach contracts to 31 December 2013 and a decision would be delayed on the Inlander and Westlander until this review is complete
 - *Option 2*
Continue with the review as planned with long distance passenger rail excluded from the review. Extensions would be sought for existing air and long distance coach contracts to 31 December 2013
 - *Option 3*
The review does not go ahead and the current long distance passenger network remains the same with the government continuing support of current regulated / subsidised services. If this option is pursued, the department could commence the tender process immediately so that new contracts would align with the end of the current contracts. This option however has not been previously supported by Treasury and DPC. There are potential lost savings and market distortion as the review presents an opportunity to make network efficiencies and enable efficient government investment in services
 - *Option 4*
Similar to Option 3, this option would see the planned review not go ahead and the current long distance passenger network remain the same however air routes that have high patronage and do not require government subsidy would be deregulated and low patronage long distance coach routes would be removed. This would include removing regulation requirements on Horn Island, Weipa and Roma air routes and subsidy from the Biloela and Collinsville long distance coach routes. This would create savings of around \$250,000 per annum as the above air routes are not subsidised
 - *Option 5*
The department does not commence the review and the government does not enter into air or long distance coach service contracts once current contracts expire. This would mean the Queensland government would cease support of regulated/subsidised air and

long distance coach routes in Queensland. This would create savings of around \$12 million per annum however it would also create significant negative community reaction, in particular from the small isolated communities that heavily rely on the current services to access essential services in larger centres. Without government support of these services, they are generally unviable for operators due to low patronage and high operating costs.

In order to further reconstruct the feedback and comments provided by various parties we conducted an examination on all emails that were part of the chain within which the Ministerial Briefing Note was being prepared for submission. A timeline of changes and comments on the Ministerial Briefing Note that relate to the options recommended and the extension date changes are outlined in the table below:

Date	Event
04 May 2012	Draft Briefing Note sent by Katie Pekaj to Kelly Amour, Belinda Lewis and CC's Martin Grace, Christopher Basche and Peter McCullough. In the draft Katie Pekaj notes the extension date of 31 December 2013 with the comment ' <i>note this may need to change - pending finalisation of timeframes for review</i> '.
09 May 2012	Martin Thomsett emails Peter McCullough and Christopher Basche with his response. He makes a number of changes (mainly rewording) however does not change any of the options or date of extension.
14 May 2012	Paul Brims emails Peter McCullough, Peter Milward, Belinda Lewis, Martin Grace and CC's Kelly Amour his response. The comments in the document appear to be from Kelly Amour. There are no changes to the options or extension date however there are comments as to whether Option 1 should be re-worded to include submission timelines and if the options should include rail impacts.
15 May 2012	Katie Pekaj emails Kelly Amour and CC's Peter McCullough and Paul Brims with an updated draft asking for her response to a number of questions. In the updated draft the extension date is now December 2014 – there is no comment as to why this has changed.
18 May 2012	Kelly Amour emails Katie Pekaj and CC's Peter McCullough and Paul Brims with an updated briefing note including her responses to the questions Katie asked on 15/5/2012. There are no changes to the options.
25 May 2012	Peter McCullough emails Peter Milward, Rose Kent, Christopher Basche, Amanda Fairley, Suzanne Rose, Natasha Neale, Martin Thomsett, Belinda Lewis, Paul Brims, Kelly Amour, Stuart Johns, Michael Morgan, Martin Grace and Katie Pekaj an updated draft Briefing Note. In this the Options are now reduced to four. There are no comments as to why they have been reduced.
30 May 2012	Suzanne Rose emails Peter McCullough and CC's Belinda Lewis with her response. She does not change any options but comments that option 4 may be misaligned with general policy principles.
11 July 2012	Katie Pekaj emails Kelly Amour with a copy of the Briefing Note to the Minister with the comment ' <i>Attached is the most recent copy</i> '. In this the extension date is December 2014 and there are four options.

Date	Event
19 July 2012	Katie Pekaj emails Kelly Amour thanking her for her update on long distance rail. She also attaches a 'most recent version' of the Ministerial Briefing Note. This appears in a similar format as the final brief that is sent to the Minister. It lists only three options and the extension date is December 2014.

Based on our email examination we are able to conclude the following:

It would appear there has been a breakdown of application to, and consideration of proper process, in particular:

- A representative of REX was informed as early as November 2011 by Martin Grace that their air services contract may be potentially extended until December 2013
- There is no email correspondence to demonstrate the Minister was informed Exempt Sch.3(7)
- From the emails examined we found no evidence of the internal legal advice received by Katie Pekaj on 30 January 2012 being forwarded, reviewed or commented on, in particular by Martin Grace. Peter McCullough was CC'd in the email where legal advice was provided by the internal legal team on 30 January 2012 although it was noted that the legal advice document was NOT attached to this email
- We found no documented evidence of non-arm's length dealings between the Departmental staff subject of this email examination and REX, Skytrans and/or Qantaslink in the period we have examined.

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Official Information Act 1982

Appendix A – Timeline of Key Events

We provide below a timeline of key events in the context of this matter to include reference to documents, meetings and discussions that are relevant:

Date	Event
18 Jan 2012	Exempt Sch.3(7) Legal Professional Privilege [Redacted]
30 Jan 2012	[Redacted]
Feb 2012	Mr Martin Grace returns from leave whereupon he was provided with the [Redacted]
15 Feb 2012	DTMR RNA 3 Steering committee meeting. Those present include Mr Grace and Ms Katie Pekaj. No reference in minutes to the legal advice sought and obtained in the weeks preceding this.
14 Mar 2012	Quarterly meeting with DTMR and representatives from REX where minutes record Mr Grace as noting that "...at this stage contracts are planned to be extended to December 2013".
11 May 2012	Quarterly meeting with DTMR and representatives from QantasLink where minutes record Mr Grace noting that "...the department is seeking approval from the Minister to undertake the review of contracted air services".
30 Jul 2012	Ministerial Briefing Note prepared for Minister outlining three options with regard to management of existing aviation contracts. Option one - roll over of existing contracts for 2 years period recommended. [Redacted]

We asked Mr Peter McCullough (Principal Advisor Aviation), who was relieving in the position of Mr Martin Grace in January, why the legal advice was not considered or included in the Ministerial Briefing Note in July 2012 he responded by saying that the legal advice had been obtained in January. He did not provide any other explanation as to why this advice had not been properly considered or incorporated into the Briefing Note.

7 Sep 2012	Quarterly meeting with DTMR and representatives from QantasLink where minutes record Mr Grace noting that " <i>...it is most likely the review of the contracted air services will progress and contracts will be extended. QantasLink will be notified when further information is available.</i> "
11 Sep 2012	Ministerial approval for the recommended option to extend the three aviation contracts is noted in internal email communication.
30 Nov 2012	Mr Martin Grace separated from DTMR.

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Appendix B – Document Listing

As part of the review we examined the following documents:

Document Name

Department of Transport and Main Roads Decision Brief 30 July 2012 (including Attachment One)

Ministerial Approval email from Tony Meredith to Ryan Huelin re MBN16181 – Review of PT services– 11 September 2012

Regional Air Services Briefing Note to Policy Advisor for Minister for Transport and Main Roads 16 December 2012

Draft Regional Network Analysis Stage 3 (RNA 3) – Consultation and Communication plan

Draft RNA 3 Media Release – drafted 30 October 5 November 2013

Email Correspondence with Virgin Australia on 19 September 2012 and 16 October 2012

Email request for Exempt Sch.3(7) Legal Professional Privilege

Memorandum of Advice – Extension of long distance coach and air service contracts 30 January 2012

Air Services Tender Information Pack for RTP 140A09 plus proforma contract

Air Services Tender Information Pack plus proforma contract 2007

Public advertisement of Invitation to Offer

RNA 3 project Gantt Charts version 1-3

Regional Network Analysis Stage 3 Steering Committee Meetings

15 February 2012

23 March 2012

9 May 2012

3 August 2012

Regional Network Analysis 3 (RNA 3) – Policy Workshop 20 September 2012

Quarterly Review Meetings Minutes – QantasLink, Regional Express, SkyTrans

Document Name

Air Tender process 2007 spreadsheet

Extension letter to Skytrans, QantasLink, Regional Express Air 18 October 2012

Acceptance letters from Skytrans, QantasLink, Regional Express Air

Air Services Contracts for Skytrans, QantasLink, Regional Express Air

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Appendix C – Personnel Interviewed

Position	Person
Acting Director General	Neil Scales
Executive Director Bus, Ferry, Coach & Air	Michael McGee
Director Contract Management and Service Delivery	Chris Basche
Executive Director Service Policy and Investment	Peter Milward
Acting Principal Advisor	Katie Pekaj
Principal Advisor	Peter McCullough

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Deloitte.

**Department of the
Premier and Cabinet
Regulated Air Routes Contract
Renewal Special Investigation**

Released Under the
Access to Information Act
- DPC

21 December 2012

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Mr Jon Grayson
Director General
Department of the Premier and Cabinet
PO Box 15185
CITY EAST QLD 4002

21 December 2012

Dear Jon

Re: Regulated Air Routes Contract Renewal – Special Review

Please find attached the report from the regulated Air Routes Contract Renewal review.

If you have any questions or wish to discuss anything raised within the report, please contact me on (07) 3308 7046 or S.73 Telephone or Graham Newton on (07) 3308 7080 or [redacted].

Yours sincerely

Carl Gerrard
Partner
Deloitte Touche Tohmatsu

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The Services provided are advisory in nature and have not been conducted in accordance with the standards issued by the Australian Auditing and Assurance Standards Board and consequently no opinions or conclusions under these standards are expressed.

Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. The matters raised in this report are only those which came to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

Our work is performed on a sample basis; we cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Recommendations and suggestions for improvement should be assessed by management for their full commercial impact before they are implemented.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy, or reliability is given in relation to the statements and representations made by, and the information and documentation provided by DTMR personnel. We have not attempted to verify these sources independently unless otherwise noted within the report.

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1 Executive Summary

1.1 Background

Department of the Premier and Cabinet (DPC) engaged Deloitte to undertake an urgent review of the decision by the Minister for the Department of Transport and Main Roads (DTMR) to extend existing air contracts on subsidised regional routes beyond their current expiry date in March 2013 to December 2014. A summary of the key dates and findings from analysis undertaken during the period 17 – 21 December 2012 is outlined in Section 2.

1.2 Key issues

There are limitations and issues in relation to the project management by DTMR including gaps in documentation and briefs with insufficient justification and risk identification.

DTMR prepared an options brief for the Minister dated 30 July 2012 which recommended that to allow time for the completion of the Regional Network Analysis (RNA) Stage 3, that the Air services contract be extended to December 2014. One of the objectives of the RNAAN3 is to undertake a comprehensive intermodal review (rail, air and coach) to ensure the state government subsidies for routes are complementary and cost effective. To complete this review prior to March 2013 was considered at the time to not be feasible due to delays in RNA2 and availability of the necessary internal resources. Therefore DTMR recommended to the Minister that he approve a the contract extension period so that sufficient time could be spent on the RNA3 project prior to going out to market.

Extending a contract without consulting other potential suppliers is appropriate so long as it is within the original request for proposal and contract terms and conditions.

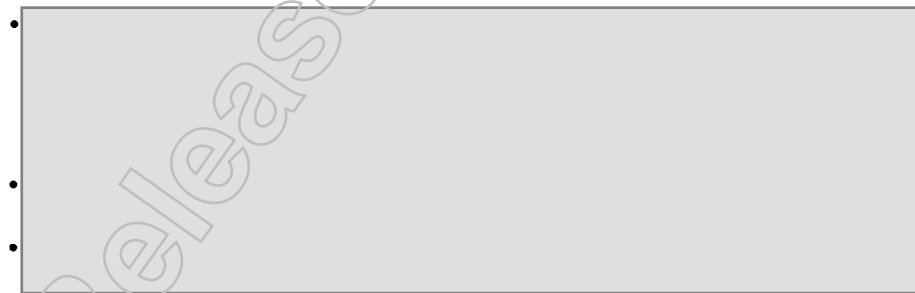
There were a range of steering committee meetings and briefs, demonstrating that there was active consideration of RNA3 and the contract extension between January and July when the Ministerial briefing note was prepared recommending the extension.

Released

2 Analysis of the Decision by DTMR to Extend Current Air Contracts

2.1 Overall summary

- Based on documents reviewed and people interviewed it is apparent that the process adopted throughout Regional Network Analysis Stage 3 (RNA) was consistent with a holistic review that incorporated an intermodal review of coach, rail and aviation transport
- The review did consider and incorporate some planning and timeline documents, formation of Steering Groups and internally documented meetings to reflect considerations and decisions made at various stages of the RNA
- Ministerial Decision Brief MBN16181 dated 30 July 2012 did not consider or document the risk attached to the 3 options being considered as part of the RNA
 - Option 1 – Extend contracts and allow review
 - Option 2 – Tender and no review
 - Option 3 – Undertake review and remove high performing air routes
- Exempt Sch.3(7) Legal Professional Privilege
- Context of briefing on Option 1 lacked detail in relation to Air Contracts and what the RNA 3 review would cover
- Contemplation to extend contracts was discussed in May 2012 (9 May RNA Steering Committee meeting)
- Coach and Air contracts have been extended to December 2014. Rail has not been extended and is due to expire June 2013



2.2 Original contracts

- There were three original Air Services Contracts entered into, all due to expire on 31 March 2013. These were with Regional Express (REX), QantasLink and Skytrans
- The terms and rights of extension clauses in all three contracts provides for extension provisions of between 3 – 6 months
- Exempt Sch.3(7) Legal Professional Privilege



- Our review of the Air Services Tender Information Pack 2007 provided to suppliers outlines a number of requirements and in particular a detailed table of requirements for all routes outlined the Term of the contract as "From the Commencement Date until 31 December 2012 (subject to Contract Clause 2.2 (Right of Extension))." We note that the contract extension clause is actually Clause 1.2 and assume that this is an error in the Tender Documentation. A copy of the draft Air Services contract September 2007 included with the tender pack details Clause 1.2 covers Right of Extension.
- Parties that tendered for each route are outlined in the table below:

Route	Horn Island	Weipa	Northern 1-3	Central 1&2	Western 1&2	Gulf
Tender Operators	Qantas Link CTPI - Busi	Qantas Link	Regional Pacific Airlines	Qantas Link	MacAir MacAir	Sky Trans

- It should be noted that Virgin Blue were invited to tender but did not at the time. Review of the RNA Tender Process Contact Register – Air indicated that Virgin Blue via email on the 19/9/2007 “thanked QT for the email- expressed that Virgin Blue were not interested in the tender process.”
- The Air Services Tender Information Pack for RTP 140A09 covering the Northern, Western and Gulf Subset outlines the term “From the Commencement Date until 31 March 2013 (subject to Contract Clause 2.2 (Right of Extension))

- Exempt Sch.3(7) Legal Professional Privilege

- As at 21 December, there is no contract with Skytran. Based on the terms of the original contract, if no extension is agreed by the parties by 31 December, the capacity to extend the contract beyond 31 March 2013 is lost.

2.3 Contract extension

- Our review of the Quarterly contract review meetings held this year between the contracted parties indicated that contract extensions were being discussed with the contractors as early as March 2012.

Contractor	Quarterly Review details
Qantas Link	Friday 11 May 2012 – Agenda Item 6 QantasLink advised that “the department is seeking approval from the Minister to undertake the review of contracted air services” Friday 7 September 2012 – Agenda Item 6 – advised that “it is most likely the review of the contracted air services will progress and contracts will be extended. QantasLink will be notified when further information is available.” It should be noted that an email dated 11/9/2012 from Tony Meredith to Ryan Huelin indicated that the Minister had approved the decision. This is 5 days after QantasLink was advised.
Sky Trans	Thursday 25 October 2012 – advised current contracts extended until 31 December 2014 and confirmed a letter of extension was sent to SkyTrans recently. Advised a Deed of Variation will be prepared on acceptance of the extension offer.
Regional Express	Wednesday 14 March 2012 – Agenda Item 6 – advised that due to caretaker mode, the department is unable to discuss the developments of RNA 3 in detail. Advised that “at this stage contracts are planned to be extended to December 2013”. Thursday 13 September 2012 – Agenda item 6 – advised that “the decision on the review of contracted air services is still pending. However Rex was advised

¹ Note that all 3 contracting parties received Extend to Services Contracts dated 18 October 2012.

Contractor	Quarterly Review details
	<i>that contracts would be extended until 31 December 2014. Rex advised they would be comfortable with an extension."</i>

- The contract extensions were discussed at the former DTMR RNA 3 Steering Committee on 9 May where it was stated that "The need to extend contracts until December 2014 to allow time to finalise the review process was discussed considering work is required to be undertaken internally"
- We understand that in June/July Acting GM Passenger Transport Integration Mr Peter Milward had a discussion with Executive Director Economic Policy Department for the Premier and Cabinet and Director Transport Area Queensland Treasury during which the issue of extending contracts was raised
- The RNA 3 Steering Committee was advised on 3 August 2012 of advice regarding extensions to contracts where it also noted that the both agencies "support concept of extending contracts but would require further discussions about the projec"
- This review has not identified any additional evidence of further advice regarding contract extensions being provided to these nominated positions within government [what nominated positions are you referring to? Please clarify]
- At this meeting it was also noted that the Ministerial Decision Brief MBN16181 was with the DDG
- The timeline prepared in the form of a Gant Chart (V2) included the consideration to extend the current contracts on or about 24 September 2012.
- Minutes of RNA3 Policy Workshop meeting on 20 September 2012, at Agenda Item 2 noted that "...importantly attendees were advised that Ministerial approval had been provided for current air and coach contracts to be extended to December 2014 which will allow time to conduct the RNA 3 process".
- DTMR received via email information requests from Virgin Australia
 - on the 17 September 2012 regarding Qld Airports and Regulated Air Transport Plan their request was specifically around the Central 1 route Brisbane – Roma - Charleville –Roma – Brisbane
 - on the 16 October 2012 regarding several matters including commencement dates of the Brisbane –Roma, Cairns – Weipa and Townsville-Cloncurry- Mt Isa.
 - The response provided to Virgin Australia by the Department did not address this-these issues.
- DTMR and the parties have exchanged correspondence – letters of arrangement proposing to extend the services contract on the 18th October 2012. Exempt Sch.3(7) Legal Professional

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² Note Version 3 of this document has since been prepared which does not reflect contract extensions

2.4 Consultation and communication plan

- A draft consultation and communication plan was developed which references a media release by the Minister. A draft media release was provided to the Minister on the 30 October 2012 for consideration we understand that the media release was never issued. This referenced RANA3 and the contract extensions.
- The draft communication and consultation plan also listed stakeholders that would be consulted "seeking submissions" which included Virgin, Jetstar, Hinterland Aviation and others
- The draft communication and consultation plan also listed risks and opportunities which included "Raising community and industry expectations". The mitigation / support strategy outlined for this risk/opportunity included (1) engagement through the consultation process (2) make it clear that this is an exploratory process and (3) adequately brief the Minister on the project scope and provide regular status updates.

2.5 Options

The options open to Government rely on the legality of the of the extension letters.

The issue to contend with is whether in the absence of a formal deed of variation covering the proposed extension allows:

- The CEO the ability to revoke the regulation (first declared on 1 October 2012) on the relevant routes under question –
 - Brisbane-Roma-Charleville-Roma-Brisbane
 - Townsville-Cloncurry-Mt Isa-Cloncurry-Townsville
 - Cairns –Weipa- Cairns
- DTMR to withdraw its offer to extend the services contract (Clause 34.5) deems no variation to the service contract will be effective "unless it is in writing and duly executed by the parties or signed by the parties giving it.
- DTMR may grant rights or benefits under Section 3.3 (Air Services Contract). This could be further investigated.
- Exempt Sch.3(7) Legal Professional Privilege

2.6 Lessons learnt – observations regarding decision making process

2.6.1 Documentation of proper process and advice sought

The original contracts entered into in 2008 state that the contract can be extended by 3-6 months. There was no reference to the contract terms and conditions in the Ministerial briefing note in July 2102. In addition, there was no mention of the risks of extending the contracts until

December 2014 in the brief to the Policy Advisor for the Minister for Transport and Main Roads.

The conversation during which DTMR discussed the contract extension with Treasury and DPC on or about June/July 2012 was verbal and not documented.

The Project Gantt chart on the RANA whilst detailed and inclusive of a number of key milestones particularly in version 2 has not been maintained. (The most recent version 3 is dated August 2012 and the dates in the two prior versions vary significantly).

2.6.2 Lack of continuity in project management

DTMR staff working on RANA3 and contract extensions were temporary and some ceased employment on 30 June. Without adequate handover and documentation, this may have contributed to gaps in the knowledge of staff remaining in DTMR responsible for continuing with RAN3.

There have been a number of senior management changes in DTMR and more recently, structural changes and lines of reporting due to the merger of TransLink into DTMR. Again, without adequate handover and documentation, this lack of continuity in the responsibility for the project could impact on knowledge of staff now responsible for the delivery of the project.

Appendix A – Timeline of Key Events

We provide below a timeline of key events in the context of this matter to include references to documents, meetings and discussions that are relevant:

Date	Event
18 Jan 12	Exempt Sch.3(7) Legal Professional Privilege [Redacted]
30 Jan 2012	[Redacted]
Feb 2012	Mr Martin Grace returns from leave whereupon he was provided with the [Redacted]
15 Feb 2012	DTMR RNA3 Steering committee meeting. Those present include Mr Grace and Ms Katie Pekaj. No reference in minutes to the legal advice sought and obtained in the weeks preceding this
14 Mar 2012	Quarterly meeting with DTMR and representatives from REX where minutes record Mr Grace as noting that "...at this stage contracts are planned to be extended to December 2013".
11 May 2012	Quarterly meeting with DTMR and representatives from QantasLink where minutes record Mr Grace noting that "...the department is seeking approval from the Minister to undertake the review of contracted air services".
30 July 2012	Ministerial Briefing Note prepared for Minister outlining three options with regard to management of existing aviation contracts. Option one - roll over of existing contracts for 2 years period recommended. [Redacted] [Redacted] <u>would it be reasonable to include a statement here made by the officer who commented that the legal advice was 6 months old...and as such n/a?</u>
7 Sep 2012	Quarterly meeting with DTMR and representatives from QantasLink where minutes record Mr Grace noting that "...it is most likely the review of the contracted air services will progress and contracts will be extended. QantasLink will be notified when further information is available."
11 Sept 2012	Ministerial approval for the recommended option to extend the three aviation

contracts is noted in internal email communication.

Released Under RTI - DPC
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Appendix B – Document Listing

As part of the review we examined the following documents:

Document Name
Department of Transport and Main Roads Decision Brief 30 July 2012 (including Attachment One)
Ministerial Approval email from Tony Meredith to Ryan Huelin re MBN16181 – Review of PT services– 11 September 2012
Regional Air Services Briefing Note to Policy Advisor for Minister for Transport and Main Roads 16 December 2012
Draft Regional Network Analysis Stage 3 (RNA3) – Consultation and Communication plan
Draft RNA3 Media Release – drafted 30 October 5 November 2012
Email Correspondence with Virgin Australia on 19 September 2012 and 16 October 2012
Email request Exempt Sch.3(7) Legal Professional Privilege
Memorandum of Advice – Extension of long distance coach and air service contracts 30 January 2012
Air Services Tender Information Pack for RTP 140A09 plus proforma contract
Air Services Tender Information Pack plus proforma contract 2007
Public advertisement of Invitation to Offer
RNA 3 project Gantt Charts version 1-3
Regional Network Analysis Stage 3 Steering Committee Meetings 15 February 2012 23 March 2012 9 May 2012 3 August 2012
Regional Network Analysis 3 (RNA3) – Policy Workshop 20 September 2012
Quarterly Review Meetings Minutes – QantasLink, Regional Express, SkyTrans
Air Tender process 2007 spreadsheet
Extension letter to Skytrans, QantasLink, Regional Express Air 18 October 2012
Acceptance letters from Skytrans, QantasLink, Regional Express Air
Air Services Contracts for Skytrans, QantasLink, Regional Express Air

Appendix C – Personnel Interviewed

Position	Person
Acting Director General	Neil Scales
Executive Director Bus, Ferry, Coach & Air	Michael McGee
Director Contract Management and Service Delivery	Chris Basche
Executive Director Service Policy and Investment	Peter Milward
Acting Principal Advisor	Katie Pekaj
Principal Advisor	Peter McCullough

Deloitte: DPC – 21 December 2012/

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Minutes

QantasLink quarterly contract review meeting

Date Friday 11 May 2012 **Time** 14:00 – 16:00
Place Level 1 meeting room, T-Central 420 George Street, Brisbane
Chair Martin Grace
Minute taker Peta Wood

Attendees

Elsa D'Alessio	Qantaslink
Tony Edwards	Qantaslink
Martin Grace	TMR
Peter McCullough	TMR
Peta Wood	TMR

Please see list of outstanding action items on page 5 & 6

Agenda item 1 Minimum Service Levels (MSL)

- CTPI - Business Affairs
-
-
-
-
-

- MG asked QantasLink if there would be issues with Charleville schedule and the new security requirements when Q400 frequency increases at Roma.

- ED advised there may need to be changes to the timetable to avoid any issues with Charleville services arriving in Roma.
- MG advised the department will be happy to work with QantasLink on any changes to the Charleville timetable if these issues occur in the future.

Agenda item 2 Air User Group Meetings

- MG suggested AUGs to take place in July/ August, post security screening.
- ED/TE agreed July/August would be suitable.

Agenda item 3 Fares

- MG provided QantasLink with a fare comparison table between contract fares that have increased by CPI over the past four years and the current QantasLink base fares.

• CTPI - Business Affairs

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- ED advised QantasLink has not received any formal notification of Weipa airport head tax and landing charge increases. The increase in airport charges will be passed on through fare increases to cover these costs. QantasLink will advise when formal notification of the increases are known.

Agenda item 4 Federal Government white paper (Airport Security)

- MG advised of meeting with OTS this morning and the main concerns with the security screening are Horn Island and Roma airports.
- MG advised Roma is the most concerning as there was not a successful tenderer in the recent process for airport screening and management. The council is considering the potential offer a temporary contract until the next tender process is successful.
- MG advised that Roma council has a meeting with OTS next week.
- TE advised of concerns with Roma airport's small check-in area.
- ED advised that if Roma airport is unable to meet the security requirements by 1 July 2012, QantasLink will hold back the introduction of Q400s and continue with Q300 services.
- MG advised that Horn Island airport is on track to build the shed for security screening.
- MG advised Torres Shire Council was seeking an agreement with Cairns that would include Horn Island receiving security training from Cairns airport staff and also Cairns support staff

being available as a back up for Horn Island airport, however Cairns has not yet agreed to this arrangement.

- MG advised that there is also a possible issue with Radiation Certificates being received on time for some of the airports introducing security screening, as there is a 90 day approval process with Queensland Health and it seems that some airports have not put in an application.
- MG advised OTS will report to the department on who has applied and if there are airports that are yet to apply, to look into fast tracking these applications.
- ED asked if the department has been told if there will be any dispensation or concession on the 1 July start date of security screens, or if there is a chance of this date being pushed back. MG advised to date has been no dispensation or concession approach offered by the federal government.
- MG advised there would be a new airport manager at Horn Island soon who has previously worked at the Ayers Rock airport which is a screened airport.
- TE advised he will speak to the Mayor of Maranoa council regarding the security screening implementation issues at Roma.

Agenda item 5 Annual Reviews

- MG advised the 2010-11 review was currently being finalised.
- ED advised QantasLink on track to deliver the 2011-12 annual review financials by the due date of 31 May 2012.

• CTPI - Business Affairs

Agenda item 6 Review of contracted air services

- MG advised that the department is seeking approval from the Minister to undertake the review of contracted air services.
- ED requested QantasLink be advised of the timing of any extension to the current contract.

Agenda item 7 Media Articles

- MG noted the media release regarding Q400's commencing operation at Roma Airport.

Agenda item 8 Regional Airport Development Scheme (RADS)

- MG provided an update on all RADS projects that affect QantasLink routes.

Agenda item 9 Other Business

- MG noted that Carbon Tax fare increases have been advised by QantasLink.

- MG advised of possible passenger liability and insurance increases and asked what level of cover QantasLink currently holds.

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Task owner	Action item	Meeting date	Date due	Status
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QantasLink	To review Horn Island capacity – to return to schedule MSL	15/12/2011	29/02/2012	Completed
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The above outstanding action is discussed at Agenda Item 1.

QantasLink	To provide TMR with impacts of Carbon Tax	04/08/2011	31/03/2012	Completed
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The above outstanding action is discussed at Agenda Item 9.

QantasLink	To undertake further analysis of CPI	04/08/2011	30/06/2012	Pending
------------	--------------------------------------	------------	------------	---------

	fare analysis and advise TMR			
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The above outstanding action is discussed at Agenda Item 3.

QantasLink	To send disability compliance check list back to TMR when completed.	04/08/2011	30/06/2012	Pending
------------	--	------------	------------	---------

- ED advised would re-allocate this task after staff changes.

QantasLink	ED to set up process to notify TMR of cancelled flights	04/08/2011	30/06/2012	Pending
------------	---	------------	------------	---------

- ED advised would add MG to be notified by text message.

QantasLink	To provide TMR register of complaints with the monthly report (including nil reports)	15/12/2011	29/02/2012	Completed
------------	---	------------	------------	-----------

- ED advised would send a report for the previous few months, advising Nil if necessary.

QantasLink	To provide TMR with information regarding the release of local fares.	15/12/2011	30/06/2012	Pending
------------	---	------------	------------	---------

- MG asked if residents know that local fares exist and are only available at local booking agents.

QantasLink	To include TMR on emails regarding schedule changes	15/12/2011	29/02/2012	Completed
------------	---	------------	------------	-----------

QantasLink	To advise TMR of updates of date Q400s are introduced at Roma airport	11/05/2012	31/05/2012	Pending
------------	---	------------	------------	---------

TMR	To advise QantasLink about Airport Radiation Certificates in relation to security screen airports	11/05/2012	31/05/2012	Pending
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TMR	To email request to QantasLink seeking advice on the potential impacts of the Federal Government's proposed changes to the Carriers' Liability Insurance.	11/05/2012	11/05/2012	Completed
-----	---	------------	------------	-----------



Minutes

QantasLink quarterly contract review meeting

Date Friday 7 September 2012 **Time** 9:00 – 10:30
Place Level 1 meeting room, T-Central 420 George Street, Brisbane
Chair Martin Grace
Minute taker Peta Wood

Attendees

Elsa D'Alessio
 Tony Edwards
 Chris Basche
 Martin Grace
 Peter McCullough
 Peta Wood

Qantaslink
 Qantaslink
 TMR
 TMR
 TMR
 TMR

Please see list of outstanding action items on page 4.

Agenda item 1 Minimum Service Levels (MSL)

- CTPI - Business Affairs
-
-
-
-
-

Agenda item 2 Air User Group Meetings

- MG advised TMR waiting for the outcome of the RNA3 review and at this stage, AUGs to be held at the same time as the community consultation for RNA3. MG advised would notify QantasLink when more information was available.

Department of Transport and Main Roads

- ED advised that John Gissing the new QantasLink CEO is planning on visiting Weipa and Roma in October. ED will confirm if these visits are to occur.

Agenda item 3 Fares

- CTPI - Business Affairs

Agenda item 4 Federal Government white paper (Airport Security)

- MG asked ED/TE if there have been any issues with security screening at any of the airports since implementation.
- ED/TE advised that overall there had been no major issues with the introduction of the security screening.
- A teleconference with Andrew Nichols from Qantas security will provide more information on the introduction of the security screening state-wide.

Agenda item 5 Annual Reviews

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-
-

Agenda item 6 Review of contracted air services

- MG advised that it is most likely the review of the contracted air services will progress and contracts will be extended. QantasLink will be notified when further information is available.

Agenda item 7 Media Articles

- MG noted the media release regarding increased flights between Brisbane and Roma, 4 June 2012.

Agenda item 8 Regional Airport Development Scheme (RADS)

- MG advised TMR would have further updates on RADS programs after the budget announcement.

Agenda item 9 Other Business

- MG asked of any impacts since the implementation of the Carbon Tax.
- ED advised this item could be discussed further during the conference call to the Qantas Head of Finance next week.
- MG advised of possible passenger liability and insurance increases and what implications this may have on ticket prices.
- ED advised this item would also be discussed at next week's conference call.

Meeting closed: 10:25am

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Release under RIA/DPC

Task owner	Action item	Meeting date	Date due	Status
------------	-------------	--------------	----------	--------

QantasLink	To undertake further analysis of CPI fare analysis and advise TMR	07/09/2012	30/09/2012	Pending
------------	---	------------	------------	---------

The above outstanding action is discussed at Agenda Item 3.

QantasLink	To send disability compliance check list back to TMR when completed	04/08/2011	30/09/2012	Pending
------------	---	------------	------------	---------

- ED advised would re-allocate this task after staff changes.

QantasLink	ED to set up process to notify TMR of cancelled flights	04/08/2011	30/06/2012	Completed
------------	---	------------	------------	-----------

- ED advised this process is still in place, there has been a reduction in the number of cancelled flights in August.

QantasLink	To provide TMR with information regarding the release of local fares	15/12/2011	30/06/2012	Completed
------------	--	------------	------------	-----------

- MG asked if residents know that local fares exist and are only available at local booking agents.
- ED/TE advised locals are aware of resident fares.

QantasLink	To schedule conference call with the QantasLink Head of Finance and Andrew Nichols, Qantas Security.	07/09/2012	14/09/2012	Pending
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Release

Lucas Clarke

From: Judy Dudurovic
Sent: Friday, 4 January 2013 3:21 PM
To: Neil Scales (Transport and Main Roads)
Cc: Craig Evans; Patrick Vidgen
Subject: FW: Deloitte analysis
Attachments: Draft Deloitte Report - 21 December 2012.DOCX

Hi Neil

Please find below an email from Graham Newton from Deloitte on their findings to date from the email interrogation.

Also attached is a copy of the draft Deloitte Report from 21 December (this builds on the report from 18 December provided to you by Jon Grayson).

regards
Judy

From: Newton, Graham (AU - Brisbane) [mailto:grnewton@deloitte.com.au]
Sent: Friday, 4 January 2013 2:49 PM
To: Judy Dudurovic
Cc: Craig Evans
Subject: RE: Deloitte analysis

Hi Judy,

By way of update we are progressing through the email interrogation at the moment having received the data last Friday (28th). It has taken some days to load the volume of data (1.4 terabytes) into a software platform to make is searchable. Two data sets, for custodians Mark Cridland and Ryan Heulin, were producing errors and appeared to be in a corrupted form. We have contacted Geoff Dutton of DTMR about this problem and he is extracting the data again and should have this to us on Monday 7 January. We will then need to process this data again for searching.

Whilst the process of loading the remainder of data into a searchable form is still underway, we have managed to commence our searches and I can provide some interim results for you. Our focus more generally has been on the following:

- Exempt Sch.3(7) Legal Professional Privilege
- the creation of the Ministerial Briefing Note and any communications in relation to this that may relate more directly to the air operator contracts and proposed extensions
- overall communications involving the three contracting parties and government employees where there may be discussion or communication in relation to the contracts and proposed extensions

There are a number of emails we have identified to date that appear to be most relevant to the circumstances we are examining. Some of the names referred to in the emails are not known to us so I am not able to provide any context in relation to the involvement of these people. The emails are summarised as follows:

- There is a word document attached to an email dated 5 March 2012 from Peter McCullough to Warwick Lodge of Rex entitled: 'Final Rex 28 November 2011 Quarterly Review Meeting Minutes' where the possibility of a contract extension is discussed. It reads – "MG advised as there is only 1 ¼ years until the end of the contract, it is highly likely the current contract will be extended to at least the end of the 2013 financial year, or calendar year. Further advice will be provided when known. WL advised REX would be comfortable with a contract extension". This email appears to indicate that Rex was being advised in November 2011 that the contracts would likely be extended until December 2013.

- [Redacted]

- There is a memo addressed to Ryan Huelin dated 27 February 2012 that appears to have been created by Martin Grace which outlines a business case for the appointment of a Senior Project Officer. It provides an overview of the RNA projects and describes how the air and coach contracts are coming to an end and *'The department is proposing to extend all of these contracts to 31 December 2013'*.

- On 4 May 2012 there is an email with the subject *'RNA 3 Ministerial Briefing Note'* and a word attachment *'RNA 3 Ministerial Briefing Note_DRAFT'* from Katie Pekaj to Kelly Amour, Belinda Lewis, Martin Grace, Christopher Basche and Peter McCullough. The email requested feedback and comments on the content. The briefing note contains five options for the Minister to consider (as opposed to three in the final briefing note) and the extension date is 31 December 2013 (as opposed to 31 December 2014 in the final briefing note), the options outlined are:
 - *Option 1 (preferred option)*
Continue with the review as planned with long distance passenger rail included as part of the review. Extensions would be sought for existing air and long distance coach contracts to 31 December 2013 and a decision would be delayed on the Inlander and Westlander until this review is complete.
 - *Option 2*
Continue with the review as planned with long distance passenger rail excluded from the review. Extensions would be sought for existing air and long distance coach contracts to 31 December 2013.
 - *Option 3*
The review does not go ahead and the current long distance passenger network remains the same with the government continuing support of current regulated / subsidised services. If this option is pursued, the department could commence the tender process immediately so that new contracts would align with the end of the current contracts. This option however has not been previously supported by Treasury and DPC. There are potential lost savings and market distortion as the review presents an opportunity to make network efficiencies and enable efficient government investment in services.
 - *Option 4*
Similar to Option 3, this option would see the planned review not go ahead and the current long distance passenger network remain the same however air routes that have high patronage and do not require government subsidy would be deregulated and low patronage long distance coach routes would be removed. This would include removing regulation requirements on Horn Island, Weipa and Roma air routes and subsidy from the Biloela and Collinsville long distance coach routes. This would create savings of around \$250,000 per annum as the above air routes are not subsidised.
 - *Option 5*
The department does not commence the review and the government does not enter into air or long distance coach service contracts once current contracts expire. This would mean the Queensland government would cease support of regulated/subsidised air and long distance coach routes in Queensland. This would create savings of around \$12 million per annum however it would also create significant negative community reaction, in particular from the small isolated communities that heavily rely on the current services to access essential services in larger centres. Without government support of these services, they are generally unviable for operators due to low patronage and high operating costs.

Judy we are currently sourcing all of the responses that were provided in relation to this original draft of the Ministerial Briefing Note. When I am able to collect all of these I will update you further. I expect this will be Monday.

Kind regards

Graham Newton

Partner | Forensic
Deloitte Touche Tohmatsu
123 Eagle Street, Brisbane, QLD, 4000, Australia
Tel/Direct: +61 7 3308 7080 | Fax: +61 7 3308 7004 | Mobile: +61 (0) S.73 Telepho
gnewton@deloitte.com.au | www.deloitte.com.au

Please consider the environment before printing.

From: Judy Dudurovic [mailto:Judy.Dudurovic@premiers.qld.gov.au]
Sent: Friday, 4 January 2013 12:47 PM
To: Newton, Graham (AU - Brisbane)
Cc: Craig Evans
Subject: FW: Deloitte analysis

Hi Graham

Neil Scales has just contacted us below seeking advice on whether there is any further advice on the email analysis.

I know that you are on leave, but I would be very grateful if you are able to advise the current status.

regards
Judy

Judy Dudurovic | Executive Director - Business Services | Department of the Premier and Cabinet | Level 1, 100 George Street, Brisbane |
judy.dudurovic@premiers.qld.gov.au | (07) 3224 4691 | S.73 Telephon

Please consider the environment before printing this email

From: Neil Scales (Transport and Main Roads)
Sent: Friday, 4 January 2013 12:44 PM
To: Jon Grayson
Cc: Scott Martin; Judy Dudurovic; Patrick Vidgen
Subject: Re: Deloitte analysis

Happy New Year Jon,

Is there any further progress on the further analysis by Deloitte please ?

Regards,

Neil Scales
Deputy-Director General
TransLink Division | Department of Transport and Main Roads
420 George Street Brisbane Qld 4000 | GPO Box 50 Qld 4001
t 07 3338 4500. | f 07 3338 4600
e neil.scales@translink.com.au
w www.translink.com.au
w www.tmr.qld.gov.au

On 18/12/2012, at 9:10 AM, "Jon Grayson" <Jon.Grayson@premiers.qld.gov.au> wrote:

- > Neil
- >
- > Further to our discussion this morning, attached is Deloitte's preliminary findings which may be instructive for you.
- >
- > You will note that Deloitte wishes too undertake further work, including a confidential analysis of any emails between the department and industry. If you are agreeable, could you please alert your head of IT, and Scott Martin from DPC will be in touch to arrange.
- >

> Kind regards
>
> Jon Grayson
> Director-General
> Department of the Premier and Cabinet
>
> '(07) 322 44728
> • jon.grayson@premiers.qld.gov.au <<mailto:kelly.skuse@premiers.qld.gov.au>>
>
> Executive Building | Level 15 | 100 George Street | Brisbane
> PO Box 15185 | City East | Queensland 4002
>
> Great State. Great Opportunity
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> <Deloitte analysis - 18 December 2012.docx>

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Released under RTI - LSC

Lucas Clarke

From: Newton, Graham (AU - Brisbane) [gnewton@deloitte.com.au]
Sent: Friday, 4 January 2013 3:16 PM
To: Judy Dudurovic
Cc: Craig Evans
Subject: Re: Deloitte analysis

No problems at all Judy. Will talk on Monday with further updates.

Graham

Sent from my iPhone

On 04/01/2013, at 4:14 PM, "Judy Dudurovic" <Judy.Dudurovic@premiers.qld.gov.au> wrote:

thanks Graham.

In terms of the options:

- Option 1 below is very similar to the final Ministerial briefing note except for the timeframes for the extension (Dec 2013 rather than Dec 2014 in the final brief)
- Option 2 below is not included in the Ministerial briefing note
- Option 3 below is very similar to option 2 in the Ministerial briefing note (again, Dec 13 rather than Dec 2014 in the final brief)
- Option 4 below is very similar to option 3 in the Ministerial briefing note (except the \$250,000 savings is not mentioned in the Ministerial brief)
- Option 5 below is not included in the Ministerial briefing note

Exempt Sch.3(7) Legal Professional Privilege

[REDACTED]. I agree it will be useful to see all the responses in relation to the draft Ministerial briefing note and as such, why an additional extension of 12 months to Dec 2014 was considered necessary.

Please note that I will be forwarding your advice below to Neil Scales.

regards
Judy

From: Newton, Graham (AU - Brisbane) [mailto:gnewton@deloitte.com.au]
Sent: Friday, 4 January 2013 2:49 PM
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? [Redacted]

- ? There is a memo addressed to Ryan Huelin dated 27 February 2012 that appears to have been created by Martin Grace which outlines a business case for the appointment of a Senior Project Officer. It provides an overview of the RNA projects and describes how the air and coach contracts are coming to an end and *'The department is proposing to extend all of these contracts to 31 December 2013'*. It makes no reference to the legal advice sought in relation to the extensions. Martin Grace created the first draft and approved the final which was subsequently submitted to Zoe Bond in another email sent from Amanda Fairley on 27 February 2012.
- ? On 4 May 2012 there is an email with the subject *'RNA 3 Ministerial Briefing Note'* and a word attachment *'RNA 3 Ministerial Briefing Note_DRAFT'* from Katie Pekaj to Kelly Amour, Belinda Lewis, Martin Grace, Christopher Basche and Peter McCullough. The email requested feedback and comments on the content. The briefing note contains five options for the Minister to consider (as opposed to three in the final briefing note) and the extension date is 31 December 2013 (as opposed to 31 December 2014 in the final briefing note), the options outlined are:

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○ Option 4

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Kind regards

Graham Newton

Partner | Forensic
Deloitte Touche Tohmatsu
123 Eagle Street, Brisbane, QLD, 4000, Australia
Tel/Direct: +61 7 3308 7080 | Fax: +61 7 3308 7004 | Mobile:
gnewton@deloitte.com.au | www.deloitte.com.au

Please consider the environment before printing.

From: Judy Dudurovic [<mailto:Judy.Dudurovic@premiers.qld.gov.au>]
Sent: Friday, 4 January 2013 12:47 PM
To: Newton, Graham (AU - Brisbane)
Cc: Craig Evans
Subject: FW: Deloitte analysis

Hi Graham

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I know that you are on leave, but I would be very grateful if you are able to advise the current status.

regards
Judy

Judy Dudurovic | Executive Director - Business Services | Department of the Premier and Cabinet | Level 1, 100 George Street, Brisbane | judy.dudurovic@premiers.qld.gov.au | (07) 3224 4691

Please consider the environment before printing this email

From: Neil Scales (Transport and Main Roads)
Sent: Friday, 4 January 2013 12:44 PM
To: Jon Grayson
Cc: Scott Martin; Judy Dudurovic; Patrick Vidgen
Subject: Re: Deloitte analysis

Happy New Year Jon,

Is there any further progress on the further analysis by Deloitte please ?

Regards,

Neil Scales
Deputy-Director General
TransLink Division | Department of Transport and Main Roads
420 George Street Brisbane Qld 4000 | GPO Box 50 Qld 4001
t 07 3338 4500. | f 07 3338 4600
e neil.scales@translink.com.au
w www.translink.com.au
w www.tmr.qld.gov.au

On 18/12/2012, at 9:10 AM, "Jon Grayson" <Jon.Grayson@premiers.qld.gov.au> wrote:

> Neil
>
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>
> You will note that Deloitte wishes too undertake further work, including a confidential analysis of any emails between the department and industry. If you are agreeable, could you please alert your head of IT, and Scott Martin from DPC will be in touch to arrange.
>
> Kind regards
>
> Jon Grayson
> Director-General
> Department of the Premier and Cabinet
>
> (07) 322 44728
> • jon.grayson@premiers.qld.gov.au <<mailto:kelly.skuse@premiers.qld.gov.au>>
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>
> <Deloitte analysis - 18 December 2012.docx>

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Released under RTI / DPC

Lucas Clarke

From: Craig Evans
Sent: Wednesday, 9 January 2013 5:09 PM
To: Judy Dudurovic
Cc: David Hourigan; Patrick Vidgen
Subject: FW: Email search update


Hi Judy

As previously discussed, could we please look to producing a PBN that covers the final Deloitte Report, the results of the email search and the issue raised by Ross regarding Skytrans (which we will require DTMR input). Would it be possible to get a more definitive date from Deloitte on the report? I suspect that the PO would like to have a brief for the Premier Monday which I suspect from yesterday's email will be too soon for Deloitte. Regards Craig

Craig Evans AM

Acting Director General
Department of the Premier and Cabinet
T: 340 62140
Executive Building | Level 15 | 100 George Street | Brisbane
PO Box 15185 | City East | Queensland 4002 |

Great State. Great Opportunity.

 Please consider the environment before printing this email

From: Ross Mensforth [mailto:Ross.Mensforth@ministerial.qld.gov.au]
Sent: Wednesday, 9 January 2013 5:02 PM
To: Craig Evans
Cc: Daniel Harris; Peter Walsh
Subject: RE: Email search update

Hi Craig

Further to our conversation on this today, can you also please update the Premier on the status of the Skytrans contract within any associated briefing notes.

I understand that this has now been extended for shorter period of 6 months.

Cheers

Ross

From: Craig Evans [mailto:Craig.Evans@premiers.qld.gov.au]
Sent: Wednesday, 9 January 2013 7:21 AM
To: Ross Mensforth
Subject: FW: Email search update

Hi Ross

Please note that we are expecting the final report from Deloitte next week. Regards Craig

Craig Evans AM

Acting Director General
Department of the Premier and Cabinet
T: 340 62140
Executive Building | Level 15 | 100 George Street | Brisbane
PO Box 15185 | City East | Queensland 4002 |

Great State. Great Opportunity.

From: Judy Dudurovic
Sent: Tuesday, 8 January 2013 8:11 PM
To: Craig Evans
Cc: Patrick Vidgen
Subject: Fwd: Email search update

Hi Craig

Please note the advice below - Deloitte's report won't be ready until next week.

Regards
Judy

Executive Director
Business Services
Department of the Premier and Cabinet
W 322 44691 M S.73 Telephone Num

Begin forwarded message:

From: "Noble, Chris (AU - Brisbane)" <cnoble@deloitte.com.au>
Date: January 8, 2013, 7:48:08 PM GMT+10:00
To: Judy Dudurovic <Judy.Dudurovic@premiers.qld.gov.au>
Cc: "Newton, Graham (AU - Brisbane)" <grnewton@deloitte.com.au>
Subject: RE: Email search update

Judy

We expect to finalise the email review late this week and then update the report in draft for you to review one last time before then finalising. We would expect the draft to be with you early next week.

Regards

From: Judy Dudurovic [<mailto:Judy.Dudurovic@premiers.qld.gov.au>]
Sent: Tuesday, 8 January 2013 4:47 PM
To: Noble, Chris (AU - Brisbane)
Subject: RE: Email search update

Hi Chris

Craig Evans has asked when you are likely to finish the email investigation? Will the results then update the draft report dated 21 December – and the report finalised? If so, when do you expect this be?

thanks
Judy

From: Noble, Chris (AU - Brisbane) [<mailto:cnoble@deloitte.com.au>]
Sent: Tuesday, 8 January 2013 7:55 AM
To: Judy Dudurovic; Newton, Graham (AU - Brisbane)
Subject: RE: Email search update

Judy

As per Graham's note I am in the Brisbane office with the staff conducting the analysis if you have issues you would like to explore further. Graham is back in town Monday.

Regards

Chris Noble

Partner

Deloitte Forensic

123 Eagle Street, Brisbane, Queensland, 4000, Australia

Tel/Direct: +61 7 3308 7065 | Fax: +61 2 9254 1050 | Mobile: [S.73 Telephone Nu]

cnoble@deloitte.com.au | www.deloitte.com.au

Please consider the environment before printing.

From: Judy Dudurovic [<mailto:Judy.Dudurovic@premiers.qld.gov.au>]

Sent: Monday, 7 January 2013 7:06 PM

To: Newton, Graham (AU - Brisbane)

Cc: Noble, Chris (AU - Brisbane)

Subject: RE: Email search update

thanks Graham

Please note that your email below has been forwarded to Neil Scales and Pat Vidgen.

regards

Judy

From: Newton, Graham (AU - Brisbane) [<mailto:grnewton@deloitte.com.au>]

Sent: Monday, 7 January 2013 4:53 PM

To: Judy Dudurovic

Cc: Craig Evans; Noble, Chris (AU - Brisbane)

Subject: Email search update

Hi Judy,

By way of update below is a summary of the email responses provided by various parties in relation to the draft Briefing Note. I have copied Chris Noble, other Forensic partner, into this email as I am still away until next Monday. If you require any direct assistance this week Chris will be able to help. We will continue our searches and provide updates to you this week as we work on finalising the email searches.

The timeline of changes and comments on the ministerial briefing note that relate to the options changing and the extension date are:

- 04/05/2012 – Draft briefing note sent by Katie Pekaj to Kelly Amour, Belinda Lewis and CC's Martin Grace, Christopher Basche and Peter McCullough. In the draft document Katie Pekaj has highlighted the extension date of 31 December 2013 with the comment '*note this may need to change - pending finalisation of timeframes for review*'.
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Judy, there are no emails we have identified that make reference to the legal advice provided and/or why it is not considered or included in the Briefing Note.

Kind regards

Graham Newton

Partner | Forensic

Deloitte Touche Tohmatsu

123 Eagle Street, Brisbane, QLD, 4000, Australia

Tel/Direct: +61 7 3308 7080 | Fax: +61 7 3308 7004 | Mobile: +61 (0) [S.73 Telephone]

gnewton@deloitte.com.au | www.deloitte.com.au

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Lucas Clarke

From: Noble, Chris (AU - Brisbane) [cnoble@deloitte.com.au]
Sent: Friday, 11 January 2013 6:51 PM
To: Judy Dudurovic
Cc: Newton, Graham (AU - Brisbane)
Subject: Re: DTMR INVESTIGATION - DRAFT UPDATE - PRIVILEGED AND CONFIDENTIAL

Judy - That should work on timing... good luck with it.

Sent from my iPhone

On 11/01/2013, at 6:47 PM, "Judy Dudurovic" <Judy.Dudurovic@premiers.qld.gov.au> wrote:

Hi Chris

Thank you very much for sending this through.

Note that I just made some minor formatting/reordering changes before I sent it to Craig – I've attached the version I sent below. (I moved the overall findings up higher, deleted some unnecessary email traffic from previous days in the middle of the email trail.)

Please let me know on Monday when you think you will finalise the report next week. I think the expectation will be by no later than cob Tuesday – let me know if you don't think this is achievable.

regards
Judy

From: Judy Dudurovic
Sent: Friday, 11 January 2013 6:36 PM
To: Craig Evans
Cc: Patrick Vidgen
Subject: FW: DTMR INVESTIGATION - DRAFT UPDATE - PRIVILEGED AND CONFIDENTIAL

Hi Craig

Advice from Deloitte is below.

regards
Judy

From: Noble, Chris (AU - Brisbane) [mailto:cnoble@deloitte.com.au]
Sent: Friday, 11 January 2013 6:28 PM
To: Judy Dudurovic
Cc: Newton, Graham (AU - Brisbane)
Subject: DRAFT UPDATE - PRIVILEGED AND CONFIDENTIAL

Judy

Below is a update of our workings - we have completed the email review this evening. We are yet to finalise a report and this work is still to be subject to quality assurance review. In summary:

Our objective:

We were asked by the Department of Premier and Cabinet (DPC) to conduct a forensic email review on the mailboxes of 11 persons of interest. This was in relation to the extension of contracts for regulated air routes. The main objectives of this review were to identify correspondence regarding:

4. is there any evidence of non-arm's length dealings between Departmental staff and REX, Skytrans and/or Qantaslink, particularly in relation to the extension of the contracts.

Overall findings

From the emails we have reviewed, the overall findings in relation to the objectives of the email review is that there appears there may have been a breakdown of proper processes, in particular:

1. A contractor (Rex) was informed by Martin Grace that their respective contracts may be potentially extended prior to receiving proper authority from the Minister

5. We found no documented evidence of non-arm's length dealings between the Departmental persons of interest and REX, Skytrans and/or Qantaslink in the period we have examined.

Process:

We received mailbox backups from January 2012 to December 2012 related to 11 persons of interest. The total data size was 1.5 Terabytes and subsequently included over 3.5 million emails. We had issues processing two custodians, Mark Cridland and Ryan Huelin, as their files were corrupted. We advised Geoff Dutton from TMR of the issues and he reprocessed the data, which he subsequently provided to us on 7 January 2013.

We have adhered to the following forensic procedure in relation to processing the data:

1. We created a forensic image of all the data received to get a working copy and therefore keeping the integrity of the original data intact
2. We indexed the data using in-house forensic technology software
3. The final case created for the 11 persons of interest included over 3.5 million emails. We ran a de-duplication process across the emails. This reduced the unique email data set down to approximately 600,000 emails.
4. From our understanding of the investigation and the objectives of the email review, we created a list of key words and phrases to search across the data set. For the searches that brought back an unmanageable number of hits, we filtered across the applicable dates of interest namely: 1 December 2011 to present.
5. As a result of the above we have reviewed over 20,000 emails and documents (some of the documents and emails were duplicated across each of the custodians as they were either sent or CC'd the original email and also some of the searches brought up hits on the same emails) the main findings of which are detailed below:

Detailed findings:

1. There is a word attachment to an email entitled: *'Final Rex 28 November 2011 Quarterly Review Meeting Minutes'* where the possibility of a contract extension is discussed:

'MG advised as there is only 1 ¼ years until the end of the contract, it is highly likely the current contract will be extended to at least the end of the 2013 financial year, or calendar year. Further advice will be provided when known. WL advised REX would be comfortable with a contract extension'. From the minutes MG is identified as Martin Grace and WL is identified as Warwick Lodge from REX.

Exempt Sch.3(7) Legal Professional Privilege

3. There is a memo drafted to Ryan Huelin dated 27 February 2012 providing a business case for the appointment of a Senior Project Officer. It provides an overview of the RNA projects and describes how the air and coach contracts are coming to an end and *'The department is proposing to extend all of these contracts to 31 December 2013'*. It does not refer to the legal advice sought in relation to the extensions. Martin Grace created the first draft and approved the final that was subsequently submitted to Zoe Bond by Amanda Fairley.

4. On 4th May 2012, there is an email correspondence with the subject *'RNA 3 Ministerial Briefing Note'* and a word attachment *'RNA 3 Ministerial Briefing Note_DRAFT'* from Katie Pekaj to Kelly Amour, Belinda Lewis and CC's Martin Grace, Christopher Basche and Peter McCullough. The email requested feedback and comments on the content. The briefing note contains five options for the Minister to consider (as opposed to three in the final briefing note) and the extension date is 31 December 2013 (as opposed to 31 December 2014 in the final briefing note), the options outlined are:

Option 1 (preferred option)

Continue with the review as planned with long distance passenger rail included as part of the review. Extensions would be sought for existing air and long distance coach contracts to 31 December 2013 and a decision would be delayed on the Inlander and Westlander until this review is complete.

Option 2

Continue with the review as planned with long distance passenger rail excluded from the review. Extensions would be sought for existing air and long distance coach contracts to 31 December 2013.

Option 3

The review does not go ahead and the current long distance passenger network remains the same with the government continuing support of current regulated / subsidised services. If this option is pursued, the department could commence the tender process immediately so that new contracts would align with the end of the current contracts. This option however has not been previously supported by Treasury and DPC. There are potential lost savings and market distortion as the review presents an opportunity to make network efficiencies and enable efficient government investment in services.

Option 4

Similar to Option 3, this option would see the planned review not go ahead and the current long distance passenger network remain the same however air routes that have high patronage and do not require government subsidy would be deregulated and low patronage long distance coach routes would be removed. This would include removing regulation requirements on Horn Island, Weipa and Roma air routes and subsidy from the Biloela and Collinsville long distance coach routes. This would create savings of around \$250,000 per annum as the above air routes are not subsidised.

Option 5

The department does not commence the review and the government does not enter into air or long distance coach service contracts once current contracts expire. This would mean the Queensland government would cease support of regulated/subsidised air and long distance coach routes in Queensland. This would create savings of around \$12 million per annum however it would also create significant negative community reaction, in particular from the small isolated

communities that heavily rely on the current services to access essential services in larger centres. Without government support of these services, they are generally unviable for operators due to low patronage and high operating costs.

5. The timeline of changes and comments on the ministerial briefing note that relate to the options changing and the extension date are:

- ? 04/05/2012 – Draft briefing note sent by Katie Pekaj to Kelly Amour, Belinda Lewis and CC's Martin Grace, Christopher Basche and Peter McCullough. In the draft document Katie Pekaj has highlighted the extension date of 31 December 2013 with the comment 'note this may need to change - pending finalisation of timeframes for review'.
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Thanks

Chris Noble

Partner

Deloitte Forensic

123 Eagle Street, Brisbane, Queensland, 4000, Australia

Tel/Direct: +61 7 3308 7065 | Fax: +61 2 9254 1050 | Mobile: S.73 Telephone Num

cnoble@deloitte.com.au <<mailto:cnoble@deloitte.com.au>> |

www.deloitte.com.au <<http://www.deloitte.com.au>>

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From: Judy Dudurovic [<mailto:Judy.Dudurovic@premiers.qld.gov.au>]

Sent: Monday, 7 January 2013 7:06 PM
To: Newton, Graham (AU - Brisbane)
Cc: Noble, Chris (AU - Brisbane)
Subject: RE: Email search update

thanks Graham

Please note that your email below has been forwarded to Neil Scales and Pat Vidgen.

regards
Judy

From: Newton, Graham (AU - Brisbane) [<mailto:grnewton@deloitte.com.au>]
Sent: Monday, 7 January 2013 4:53 PM
To: Judy Dudurovic
Cc: Craig Evans; Noble, Chris (AU - Brisbane)
Subject: Email search update

Hi Judy,

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Judy, there are no emails we have identified that make reference to the legal advice provided and/or why it is not considered or included in the Briefing Note.

Kind regards

Graham Newton
Partner | Forensic
Deloitte Touche Tohmatsu
123 Eagle Street, Brisbane, QLD, 4000, Australia
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Comments by
Judy Dudgeon
15/1/13

Department of the Premier and Cabinet

Regulated Air Routes Contract Renewal Special Review

14 January 2013

Mr Jon Grayson
Director General
Department of the Premier and Cabinet
PO Box 15185
CITY EAST QLD 4002

14 January 2013

Dear Jon,

Re: Regulated Air Routes Contract Renewal – Special Review

Please find attached the report from the regulated Air Routes Contract Renewal review.

If you have any questions or wish to discuss anything raised within the report, please contact me on (07) 3308 7046 or S.73 Telephone or Graham Newton on (07) 3308 7080 or S.73 Telephone Nu

Yours sincerely,

Carl Gerrard
Partner
Deloitte Touche Tohmatsu

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1 Executive Summary

1.1 Background

Department of the Premier and Cabinet (DPC) engaged Deloitte to undertake an urgent review of the decision by the Minister for the Department of Transport and Main Roads (DTMR) to extend existing air contracts on subsidised regional routes beyond their current expiry date in March 2013 to December 2014. A summary of the key dates and findings from analysis undertaken during the period 17 – 21 December 2012 is outlined in Section 2.

11 January 2013

1.2 Key issues

There are limitations and issues in relation to the project management by DTMR including gaps in documentation and briefs with insufficient justification and risk identification.

DTMR prepared an options brief for the Minister dated 30 July 2012 which recommended that to allow time for the completion of the Regional Network Analysis (RNA) Stage 3, that the Air services contract be extended to December 2014. One of the objectives of the RNA3 is to undertake a comprehensive intermodal review (rail, air and coach) to ensure the state government subsidies for routes are complementary and cost effective. To complete this review prior to March 2013 was considered at the time to not be feasible due to delays in RNA2 and availability of the necessary internal resources. Therefore DTMR recommended to the Minister that he approve a contract extension period so that sufficient time could be spent on the RNA3 project prior to going out to market.

Extending a contract without consulting other potential suppliers is appropriate so long as it is within the original request for proposal and contract terms and conditions.

There were a range of steering committee meetings and briefs, demonstrating that there was active consideration of RNA3 and the contract extension between January and July when the Ministerial briefing note was prepared recommending the extension.

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2 Analysis of the Decision by DTMR to Extend Current Air Contracts

2.1 Overall summary

- Based on documents reviewed and people interviewed it is apparent that the process adopted throughout Regional Network Analysis Stage 3 (RNA) was consistent with a holistic review that incorporated an intermodal review of coach, rail and aviation transport
- The review did consider and incorporate some planning and timeline documents, formation of Steering Groups and internally documented meetings to reflect considerations and decisions made at various stages of the RNA
- Ministerial Decision Brief MBN16181 dated 30 July 2012 did not consider or document the risk attached to the 3 options being considered as part of the RNA
 - Option 1 – Extend contracts and allow review
 - Option 2 – Tender and no review
 - Option 3 – Undertake review and remove high performing air routes

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- Context of briefing on Option 1 lacked detail in relation to Air Contracts and what the RNA 3 review would cover
- Contemplation to extend contracts was discussed in May 2012 (9 May RNA Steering Committee meeting)
- Coach and Air contracts have been extended to December 2014. Rail has not been extended and is due to expire June 2013

2.2 Original contracts

- There were three original Air Services Contracts entered into, all due to expire on 31 March 2013. These were with Regional Express (REX), QantasLink and Skytrans
- The terms and rights of extension clauses in all three contracts provides for extension provisions of between 3 – 6 months

• Exempt Sch.3(7) Legal Professional Privilege



- Our review of the Air Services Tender Information Pack 2007 provided to suppliers outlines a number of requirements and in particular a detailed table of requirements for all routes outlined the Term of the contract as "From the Commencement Date until 31 December 2012 (subject to Contract Clause 2.2 (Right of Extension))." We note that the contract extension clause is actually Clause 1.2 and assume that this is an error in the Tender Documentation. A copy of the draft Air Services contract September 2007 included with the tender pack details Clause 1.2 covers Right of Extension.
- Parties that tendered for each route are outlined in the table below:

Route	Horn Island	Weipa	Northern 1-3	Central 1&2	Western 1&2	Gulf
Tender Operators	Qantas Link CTPI - Business	Qantas Link	Regional Pacific Airlines	Qantas Link	MacAir MacAir	Sky Trans

- It should be noted that Virgin Blue were invited to tender but did not at the time. Review of the RNA Tender Process Contact Register – Air indicated that Virgin Blue via email on the 19/9/2007 "thanked QT for the email- expressed that Virgin Blue were not interested in the tender process."
- The Air Services Tender Information Pack for RTP 140A09 covering the Northern, Western and Gulf Subset outlines the term "From the Commencement Date until 31 March 2013 (subject to Contract Clause 2.2 (Right of Extension))"

DD note:
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to
Premier

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- As at 21 December, there is no contract with Skytrans. Based on the terms of the original contract, if no extension is agreed by the parties by 31 December, the capacity to extend the contract beyond 31 March 2013 is lost.

briefly
update
↓
see
advise
from
Neil
Scales
11/11



2.3 Contract extension



- Our review of the Quarterly contract review meetings held ^{earlier in 2012} ~~this year~~ between the contracted parties indicated that contract extensions were being discussed with the contractors as early as March 2012.

Contractor	Quarterly Review details
Qantas Link	Friday 11 May 2102 – Agenda Item 6. QantasLink advised that "the department is seeking approval from the Minister to undertake the review of contracted air services" Friday 7 September 2012 – Agenda Item 6. Advised that "it is most likely the review of the contracted air services will progress and contracts will be extended. QantasLink will be notified when further information is available." It is noted that an email dated 11/9/2012 from Tony Meredith to Ryan Huelin indicated that the Minister had approved the decision. This is 5 days after QantasLink was advised.
Sky Trans	Thursday 25 October 2012 – Advised current contracts extended until 31 December 2014 and confirmed a letter of extension was sent to SkyTrans. Advised a Deed of Variation will be prepared on acceptance of the offer.
Regional Express	Wednesday 14 March 2012 – Agenda Item 6 – advised that due to caretaker mode, the department is unable to discuss the developments of RNA 3 in detail. Advised that "at this stage contracts are planned to be extended to December 2013". Thursday 13 September 2012 – Agenda item 6 – advised that "the decision on the review of contracted air services is still pending. However Rex was advised that contracts would be extended until 31 December 2014. Rex advised they would be comfortable with an extension."

¹ Note that all 3 contracting parties received Extend to Services Contracts dated 18 October 2012.

- The contract extensions were discussed at the former DTMR RNA 3 Steering Committee on 9 May where it was stated that *"The need to extend contracts until December 2014 to allow time to finalise the review process was discussed considering work is required to be undertaken internally"*
- We understand that in June/July Acting GM Passenger Transport Integration Mr Peter Milward had a discussion with Executive Director Economic Policy Department for the Premier and Cabinet and Director Transport Area Queensland Treasury during which the issue of extending contracts was raised
- The RNA 3 Steering Committee was advised on 3 August 2012 of advice regarding extensions to contracts where it also noted that the both agencies *"support concept of extending contracts but would require further discussions about the project"*
- This review has not identified any additional evidence of further advice regarding contract extensions being provided to the Executive Director Economic Policy Department for the Premier and Cabinet and Director Transport Area Queensland Treasury
- At this meeting it was also noted that the Ministerial Decision Brief MBN16181 was with the DDG
- The timeline prepared in the form of a Gantt Chart (V2) included the consideration to extend the current contracts on or about 24 September 2012.²
- Minutes of RNA3 Policy Workshop meeting on 20 September 2012, at Agenda Item 2 noted that *"...importantly attendees were advised that Ministerial approval had been provided for current air and coach contracts to be extended to December 2014 which will allow time to conduct the RNA 3 process"*.
- DTMR received via email information requests from Virgin Australia
 - on the 17 September 2012 regarding Qld Airports and Regulated Air Transport Plan their request was specifically around the Central 1 route Brisbane – Roma - Charleville –Roma – Brisbane
 - on the 16 October 2012 regarding several matters including commencement dates of the Brisbane –Roma, Cairns – Wepa and Townsville-Cloncurry- Mt Isa. The response provided to Virgin Australia by the Department did not advise the commencement dates.
- DTMR and the parties have exchanged correspondence – letters of arrangement proposing to extend the services contract on the 18th October 2012. Exempt Sch.3(7) Legal Professional Privilege

² Note Version 3 of this document has since been prepared which does not reflect contract extensions

2.4 Consultation and communication plan

- A draft consultation and communication plan was developed which references a media release by the Minister. A draft media release was provided to the Minister on the 30 October 2012 for consideration we understand that the media release was never issued. This referenced RNA3 and the contract extensions.
- The draft communication and consultation plan also listed stakeholders that would be consulted "seeking submissions" which included Virgin, Jetstar, Hinterland Aviation and others
- The draft communication and consultation plan also listed risks and opportunities which included "Raising community and industry expectations". The mitigation / support strategy outlined for this risk/opportunity included (1) engagement through the consultation process (2) make it clear that this is an exploratory process and (3) adequately brief the Minister on the project scope and provide regular status updates.

2.5 Options

The options open to Government rely on the legality of the of the extension letters.

The issue to contend with is whether in the absence of a formal deed of variation covering the proposed extension allows:

- The CEO the ability to revoke the regulation (first declared on 1 October 2012) on the relevant routes under question –
 - Brisbane-Roma-Charleville-Roma-Brisbane
 - Townsville-Cloncurry-Mt Isa-Cloncurry-Townsville
 - Cairns -Weipa- Cairns
- DTMR to withdraw its offer to extend the services contract (Clause 34.5) deems no variation to the service contract will be effective "unless it is in writing and duly executed by the parties or signed by the parties giving it.

- DTMR may grant rights or benefits under Section 3.3 (Air Services Contract). This could be further investigated, and the validity of the 30 January 2012 inform

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2.6 Lessons learnt – observations regarding decision making process

2.6.1 Documentation of proper process and advice sought

The original contracts entered into in 2008 state that the contract can be extended by 3-6 months. There was no reference to the contract terms and conditions in the Ministerial briefing note in July 2012. In addition, there was no mention of the risks of extending the contracts until

December 2014 in the brief to the Policy Advisor for the Minister for Transport and Main Roads.

The conversation during which DTMR discussed the contract extension with Treasury and DPC on or about June/July 2012 was verbal and not documented.

The Project Gantt chart on the RNA whilst detailed and inclusive of a number of key milestones particularly in version 2 has not been maintained. (The most recent version 3 is dated August 2012 and the dates in the two prior versions vary significantly).

2.6.2 Lack of continuity in project management

DTMR staff working on RNA3 and contract extensions were temporary and some ceased employment on 30 June. Without adequate handover and documentation, this may have contributed to gaps in the knowledge of staff remaining in DTMR responsible for continuing with RAN3.

There have been a number of senior management changes in DTMR and more recently, structural changes and lines of reporting due to the merger of TransLink into DTMR. Again, without adequate handover and documentation, this lack of continuity in the responsibility for the project could impact on knowledge of staff now responsible for the delivery of the project.

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3 Email examination

3.1 Objectives of the email examination

We conducted a forensic email examination on the mailboxes of 11 DTMR employees. The main objective of this exercise was to identify communication between parties external and/or internal relating to:

- who received the internal legal advice Exempt Sch.3(7) Legal Professional Privilege
- any correspondence as to why this advice was not acted on
- who was involved in the preparation of the Ministerial Briefing Note (was the legal advice ever mentioned during this preparation and was there any reasoning as to why it was subsequently omitted from the final Briefing Note), and
- if there is any evidence of non-arm's length dealings between Departmental staff and REX, Skytrans and/or Qantaslink, particularly in relation to the extension of the contracts.

3.2 Forensic email examination procedure

We received mailbox backups from January 2012 to December 2012 related to 11 employees. The total data size was 1.5 Terabytes and subsequently included over 3.5 million emails. We have adopted the following forensic procedure in relation to processing the data:

- We created a forensic image of all the data received in order to have a working copy of the data. This allowed the integrity of the original data to remain intact
- We indexed the data using in-house forensic technology software
- The final case created for the 11 employees included over 3.5 million emails. We therefore ran a de-duplication process across the emails which reduced the unique email data set down to approximately 600,000 emails
- From our understanding of the issues and the objectives of the email examination, we created a list of key words and phrases to search across the data set. For the searches that resulted in a large volume of results, we filtered across the applicable dates of interest namely - 1 December 2011 to present day
- We have reviewed over 20,000 emails and documents (some of the documents and emails were duplicated across each of the custodians as they were either sent or CC'd with the original email).

3.3 Email examination findings

We reviewed over 20,000 emails and documents and our detailed findings are outlined below.

- There is a word document attached to an email dated 5 March 2012 from Peter McCullough to Warwick Lodge of Rex entitled: *'Final Rex 28 November 2011 Quarterly Review Meeting Minutes'* where the possibility of a contract extension is discussed. It reads – "MG advised

as there is only 1 ¼ years until the end of the contract, it is highly likely the current contract will be extended to at least the end of the 2013 financial year, or calendar year. Further advice will be provided when known. WL advised REX would be comfortable with a contract extension". This email appears to indicate that Rex was being advised in November 2011 that the contracts would likely be extended until December 2013

Exempt Sch.3(7) Legal Professional Privilege

- There is a memo addressed to Ryan Huelin dated 27 February 2012 that appears to have been created by Martin Grace which outlines a business case for the appointment of a Senior Project Officer. It provides an overview of the RNA projects and describes how the air and coach contracts are coming to an end and *'The department is proposing to extend all of these contracts to 31 December 2013'*. It makes no reference to [REDACTED] Martin Grace created the first draft and approved the final which was subsequently submitted to Zoe Bond in another email sent from Amanda Fairley on 27 February 2012
- On 4 May 2012 there is an email with the subject *'RNA 3 Ministerial Briefing Note'* and a word attachment *'RNA 3 Ministerial Briefing Note_DRAFT'* from Katie Pekaj to Kelly Amour, Belinda Lewis, Martin Grace, Christopher Basche and Peter McCullough. The email requested feedback and comments on the content. The briefing note contains five options for the Minister to consider (as opposed to three in the final briefing note) and the extension date is 31 December 2013 (as opposed to 31 December 2014 in the final briefing note), the options outlined are:
 - *Option 1 (preferred option)*
Continue with the review as planned with long distance passenger rail included as part of the review. Extensions would be sought for existing air and long distance coach contracts to 31 December 2013 and a decision would be delayed on the Inlander and Westlander until this review is complete.
 - *Option 2*
Continue with the review as planned with long distance passenger rail excluded from the review. Extensions would be sought for existing air and long distance coach contracts to 31 December 2013.
 - *Option 3*
The review does not go ahead and the current long distance passenger network remains the same with the government continuing support of current regulated / subsidised services. If this option is pursued, the department could commence the tender process immediately so that new contracts would align with the end of the current contracts. This option however has not been previously supported by Treasury and DPC. There are potential lost savings and market distortion as the review presents an opportunity to make network efficiencies and enable efficient government investment in services.
 - *Option 4*
Similar to Option 3, this option would see the planned review not go ahead and the current long distance passenger network remain the same however air routes that have high patronage and do not require government subsidy would be deregulated and low patronage long distance coach routes would be removed. This would include removing regulation requirements on Horn Island, Weipa and Roma air routes and subsidy from the Biloela and Collinsville long distance coach routes. This would create savings of around \$250,000 per annum as the above air routes are not subsidised.

- Option 5**
The department does not commence the review and the government does not enter into air or long distance coach service contracts once current contracts expire. This would mean the Queensland government would cease support of regulated/subsidised air and long distance coach routes in Queensland. This would create savings of around \$12 million per annum however it would also create significant negative community reaction, in particular from the small isolated communities that heavily rely on the current services to access essential services in larger centres. Without government support of these services, they are generally unviable for operators due to low patronage and high operating costs.

In order to further reconstruct the feedback and comments provided by various parties we conducted an examination on all emails that were part of the chain within which the Ministerial Briefing Note was being prepared for submission. A timeline of changes and comments on the Ministerial Briefing Note that relate to the options recommended and the extension date changes are outlined in the table below:

04 May 2012	Draft Briefing Note sent by Katie Pekaj to Kelly Amour, Belinda Lewis and CC's Martin Grace, Christopher Basche and Peter McCullough. In the draft Katie Pekaj notes the extension date of 31 December 2013 with the comment 'note this may need to change - pending finalisation of timeframes for review'
09 May 2012	Martin Thomsett emails Peter McCullough and Christopher Basche with his response. He makes a number of changes (mainly rewording) however does not change any of the options or date of extension
14 May 2012	Paul Brims emails Peter McCullough, Peter Milward, Belinda Lewis, Martin Grace and CC's Kelly Amour his response. The comments in the document appear to be from Kelly Amour. There are no changes to the options or extension date however there are comments as to whether Option 1 should be re-worded to include submission timelines and if the options should include rail impacts
15 May 2012	Katie Pekaj emails Kelly Amour and CC's Peter McCullough and Paul Brims with an updated draft asking for her response to a number of questions. In the updated draft the extension date is now December 2014 - there is no comment as to why this has changed
18 May 2012	Kelly Amour emails Katie Pekaj and CC's Peter McCullough and Paul Brims with an updated briefing note including her responses to the questions Katie asked on 15/5/2012. There are no changes to the options
25 May 2012	Peter McCullough emails Peter Milward, Rose Kent, Christopher Basche, Amanda Fairley, Suzanne Rose, Natasha Neale, Martin Thomsett, Belinda Lewis, Paul Brims, Kelly Amour, Stuart Johns, Michael Morgan, Martin Grace and Katie Pekaj an updated draft Briefing Note. In this the Options are now reduced to four. There are no comments as to why they have been reduced
30 May 2012	Suzanne Rose emails Peter McCullough and CC's Belinda Lewis with her response. She does not change any options but comments that option 4 may be misaligned with general policy principles
11 July 2012	Katie Pekaj emails Kelly Amour with a copy of the Briefing Note to the Minister with the comment 'Attached is the most recent copy'. In this the extension date is December 2014 and there are four options
19 July 2012	Katie Pekaj emails Kelly Amour thanking her for her update on long distance rail. She also attaches a 'most recent version' of the Ministerial Briefing Note. This appears in a similar format as the final brief that is sent to the Minister. It lists only three options and the extension date is December 2014

Based on our email examination we are able to conclude the following:

It would appear there has been a breakdown of application to, and consideration of proper process, in particular:

- A representative of REX was informed as early as November 2011 by Martin Grace that their air services contract may be potentially extended until December 2013
- There is no email correspondence to demonstrate the Minister was informed Exempt Sch.3(7)

[Redacted]

- From the emails examined we found no evidence of the internal legal advice received by Katie Pekaj on 30 January 2012 being forwarded, reviewed or commented on, in particular by Martin Grace. Peter McCullough was CC'd in the email where legal advice was provided by the internal legal team on 30 January 2012 although it was noted that the legal advice document was NOT attached to this email
- We found no documented evidence of non-arm's length dealings between the Departmental staff subject of this email examination and REX, Skytrans and/or Qantaslink in the period we have examined.

[Redacted]

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Appendix A – Timeline of Key Events

We provide below a timeline of key events in the context of this matter to include reference to documents, meetings and discussions that are relevant:

Date	Event
18 Jan12	Exempt Sch.3(7) Legal Professional Privilege [Redacted]
30 Jan 2012	[Redacted]
Feb 2012	Mr Martin Grace returns from leave whereupon he was provided with the [Redacted]
15 Feb 2012	DTMR RNA3 Steering committee meeting. Those present include Mr Grace and Ms Katie Pekaj. No reference in minutes to the legal advice sought and obtained in the weeks preceding this
14 Mar 2012	Quarterly meeting with DTMR and representatives from REX where minutes record Mr Grace as noting that "...at this stage contracts are planned to be extended to December 2013".
11 May 2012	Quarterly meeting with DTMR and representatives from QantasLink where minutes record Mr Grace noting that "...the department is seeking approval from the Minister to undertake the review of contracted air services".
30 July 2012	Ministerial Briefing Note prepared for Minister outlining three options with regard to management of existing aviation contracts. Option one - roll over of existing contracts for 2 years period recommended. [Redacted]

We asked Mr Peter McCullough (Principal Advisor Aviation), who was relieving in the position of Mr Martin Grace in January, why the legal advice was not considered or included in the Ministerial Briefing Note in July 2012 he responded by saying that the legal advice had been obtained in January. He did not provide any other explanation as to why this advice had not been properly considered or incorporated into the Briefing Note.

7 Sep 2012	Quarterly meeting with DTMR and representatives from QantasLink where minutes record Mr Grace noting that "...it is most likely the review of the contracted air services will progress and contracts will be extended. QantasLink will be notified when further information is available."
11 Sept 2012	Ministerial approval for the recommended option to extend the three aviation contracts is noted in internal email communication.

<date?> Mr Martin Grace separated from DTMR

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Appendix B – Document Listing

As part of the review we examined the following documents:

Document Name
Department of Transport and Main Roads Decision Brief 30 July 2012 (including Attachment One)
Ministerial Approval email from Tony Meredith to Ryan Huelin re MBN16181 – Review of PT services – 11 September 2012
Regional Air Services Briefing Note to Policy Advisor for Minister for Transport and Main Roads 16 December 2012
Draft Regional Network Analysis Stage 3 (RNA3) – Consultation and Communication plan
Draft RNA3 Media Release – drafted 30 October 5 November 2013
Email Correspondence with Virgin Australia on 19 September 2012 and 16 October 2012
Email request for Exempt Sch.3(7) Legal Professional Privilege
Memorandum of Advice – Extension of long distance coach and air service contracts 30 January 2012
Air Services Tender Information Pack for RTP 140A09 plus proforma contract
Air Services Tender Information Pack plus proforma contract 2007
Public advertisement of Invitation to Offer
RNA 3 project Gantt Charts version 1-3
Regional Network Analysis Stage 3 Steering Committee Meetings 15 February 2012 23 March 2012 9 May 2012 3 August 2012
Regional Network Analysis 3 (RNA3) – Policy Workshop 20 September 2012
Quarterly Review Meetings Minutes – QantasLink, Regional Express, SkyTrans
Air Tender process 2007 spreadsheet
Extension letter to Skytrans, QantasLink, Regional Express Air 18 October 2012
Acceptance letters from Skytrans, QantasLink, Regional Express Air
Air Services Contracts for Skytrans, QantasLink, Regional Express Air

Appendix C – Personnel Interviewed

Position	Person
Acting Director General	Neil Scales
Executive Director Bus, Ferry, Coach & Air	Michael McGee
Director Contract Management and Service Delivery	Chris Basche
Executive Director Service Policy and Investment	Peter Milward
Acting Principal Advisor	Katie Pekaj
Principal Advisor	Peter McCullough

Lucas Clarke

From: Neil Scales (Transport and Main Roads)
Sent: Wednesday, 30 January 2013 4:02 PM
To: Judy Dudurovic
Cc: Craig Evans; Patrick Vidgen
Subject: Re: Email search update

Good afternoon,

Could I get a copy of the report please so that I might comment on it.

Thank you

Regards,

Neil Scales
Deputy-Director General
TransLink Division | Department of Transport and Main Roads
420 George Street Brisbane Qld 4000 | GPO Box 50 Qld 4001
t 07 3338 4500. | f 07 3338 4600
e neil.scales@translink.com.au
w www.translink.com.au
w www.tmr.qld.gov.au

On 07/01/2013, at 7:02 PM, "Judy Dudurovic" <Judy.Dudurovic@premiers.qld.gov.au> wrote:

Hi Neil

Please note the further advice below received from Deloitte.

Craig has requested the results to date of the Deloitte investigation to date should remain confidential.

regards

Judy

From: Newton, Graham (AU - Brisbane) [<mailto:grnewton@deloitte.com.au>]

Sent: Monday, 7 January 2013 4:53 PM

To: Judy Dudurovic

Cc: Craig Evans; Noble, Chris (AU - Brisbane)

Subject: Email search update

Hi Judy,

By way of update below is a summary of the email responses provided by various parties in relation to the draft Briefing Note. I have copied Chris Noble, other Forensic partner, into this email as I am still away until next Monday. If you require any direct assistance this week Chris will be able to help. We will continue our searches and provide updates to you this week as we work on finalising the email searches.

The timeline of changes and comments on the ministerial briefing note that relate to the options changing and the extension date are:

- 04/05/2012 – Draft briefing note sent by Katie Pekaj to Kelly Amour, Belinda Lewis and CC's Martin Grace, Christopher Basche and Peter McCullough. In the draft document Katie Pekaj has highlighted the extension date of 31 December 2013 with the comment '*note this may need to change - pending finalisation of timeframes for review*'.

- 09/05/2012 – Martin Thomsett emails Peter McCullough and Christopher Basche with his response. He makes a number of changes mainly rewording however, does not change any of the options or date of extension.
- 14/05/2012 – Paul Brims emails Peter McCullough, Peter Milward, Belinda Lewis, Martin Grace and CC's Kelly Amour his response but the comments in the document appear to be from Kelly Amour. There are no changes to the options or extension date however, there are comments as to whether Option 1 should be reworded to include submission timelines and if the Options should include Rail impacts.
- 15/05/2012 – Katie Pekaj emails Kelly Amour and CC's Peter McCullough and Paul Brims with an updated draft asking for her response to a number of questions. In the updated draft the extension date is now December 2014 – there is no comment as to why this has changed.
- 18/05/2012 – Kelly Amour emails Katie Pekaj and CC's Peter McCullough and Paul Brims with an updated briefing note including her responses to the questions Katie asked on 15/15/2012. There are no changes to the options.
- 25/05/2012 – Peter McCullough emails Peter Milward, Rose Kent, Christopher Basche, Amanda Fairley, Suzanne Rose, Natasha Neale, Martin Thomsett, Belinda Lewis, Paul Brims, Kelly Amour, Stuart Johns, Michael Morgan, Martin Grace and Katie Pekaj and updated draft briefing note. In this the Options are now reduced to four, there are no comments as to why they have been reduced.
- 30/05/2012 – Suzanne Rose emails Peter McCullough and CC's Belinda Lewis with her response. She does not change any options but comments that option 4 may be misaligned with general policy principles.
- 11/07/2012 – Katie Pekaj emails Kelly Amour with a copy of the briefing note to the minister with the comment '*Attached is the most recent copy*'. In this the extension date is December 2014 and there are four options.
- 19/07/2012 – Katie Pekaj emails Kelly Amour thanking her for her update on long distance rail. She also attaches a '*most recent version*' of the ministerial briefing note. This appears in a similar format as the final brief that goes to the minister. It has only three options and the extension date is December 2014.

Judy, there are no emails we have identified that make reference to the legal advice provided and/or why it is not considered or included in the Briefing Note.

Kind regards

Graham Newton

Partner | Forensic
 Deloitte Touche Tohmatsu
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DIRECTOR-GENERAL'S BRIEFING NOTE

Governance

Tracking Folder No. TF/12/33088

Document No. DOC/12/239663

To: Director-General
Date: 18 December 2012
Subject: Department of Transport and Main Roads – results of special investigation

Approved / Not Approved / Noted

Addressee

Date/...../.....

• RECOMMENDATION

It is recommended that you

- **note** that there is no current evidence of misconduct by officers in the Department of Transport and Main Roads (DTMR) in relation to the decision to extend the air contracts
- **note** that there are apparent limitations and issues in relation to the project management by DTMR including gaps in documentation and briefs without sufficient justification and risk identification
- **brief** the acting Premier on the results of the first stage of the investigation into the decision by Department of Transport and Main Roads (DTMR) and the proposed next steps.
- **approve** that the next steps proposed by Deloitte in this investigation commence immediately.

• KEY ISSUES

- DPC engaged Deloitte to undertake a special investigation of the decision by the Minister for TMR to extend existing air contracts on subsidised regional routes with Qantaslink beyond their current expiry date in March 2013 to December 2014. A summary of the key dates and findings from analysis undertaken by Deloitte on 17 December 2012 is included as **Attachment A**.
- DTMR prepared an options brief for the Minister dated 30 July 2012 which recommended that that to allow time for the completion of the Regional Network Analysis (RAN) Stage 3, that the contract with Qantaslink be extended to December 2014. One of the objectives of the RAN, is to undertake a comprehensive intermodal review (rail, air and coach) to ensure the state government subsidies for routes are complementary and cost effective. To complete this review prior to March 2013 was not feasible, and as such, DTMR recommended the contract extension period.
- Extending a contract without consulting other potential suppliers is appropriate so long as it is within the original contract terms and conditions.
- There were a range of steering committee meetings and briefs, demonstrating that there was active consideration of the RAN and the contract extension between January and July when the Ministerial briefing note was prepared recommending the extension.
- However, there appear to be a number of limitations and issues in relation to the decision making process.
 - o Documentation of processes

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Area:

Telephone:

Approvals by Director / ED /DDG documented in *notes* in TRIM

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- Lack of continuity in project management
 - DTMR advised that a number of staff working on the RAN and contract extensions were temporary and ceased employment on 30 June. Without adequate handover and documentation, this may have contributed gaps in the knowledge of staff remaining in DTMR responsible for continuing with RAN.
 - There have been a number of senior management changes in DTMR and more recently, structural changes and lines of reporting resulting from the merger of Translink into DTMR. Again, without adequate handover and documentation, this lack of continuity in the responsibility for the project could impact on knowledge of staff now responsible for the project.
 - The conversation with Treasury and DPC about the contract extensions was verbal and not documented.
 - The Project Gantt chart on the RAN has not been maintained. (The most recent version 3 is dated August 2012 and the dates in the two prior versions vary significantly).

Next steps

- Deloitte has identified some key documentation which has not yet been provided by DTMR. This includes:
 - The original request for tender (RFT) issued by DTMR in 2008 relating to the contract and the responses to the RFT by suppliers
 - All formal correspondence between government and the contracting parties (Qantaslink, Skytrans and REX) and also with Virgin

- While there is no evidence at this point to suggest that there is any misconduct by officers within DTMR, it is proposed that Deloitte undertake an interrogation of email accounts of employees who corresponded with current or potential suppliers of air services to identify any evidence of communication between officers and the

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Area:
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Approvals by Director / ED /DDG
documented in *notes* in TRIM

DIRECTOR-GENERAL'S BRIEFING NOTE

Governance

Tracking Folder No. TF/12/33088

Document No. DOC/12/239663

contracting parties and other suppliers, that has not been disclosed. DTMR is currently extracting this information.

- Note that the Premier's Office is undertaking a separate investigation into the decisions and processes undertaken by the Transport and Main Roads ministerial office.

• CONSULTATION

- Neil Scales, A/Director-General DTMR has facilitated the provision of the information for the review.

• BACKGROUND

- On 13 December 2012, the Courier Mail reported that the CEO of Virgin, John Borghetti was frustrated at the lack of support for Virgin as a result of a government decision to extend existing contracts with Qantas on regional routes until December 2014.

Comments

P J Vidgen
Deputy Director-General
Governance

Action Officer:
Area:
Telephone:

Approvals by Director / ED /DDG
documented in *notes* in TRIM

Lucas Clarke

From: Judy Dudurovic
Sent: Thursday, 20 December 2012 5:50 PM
To: Craig Evans
Cc: Patrick Vidgen
Subject: RE: Update on Crown Law advice and Deloitte email investigation

Hi Craig

I have just spoken to Graham from Deloitte. He will send through an email tomorrow morning which will confirm our request to undertake a more detailed analysis of the DTMR emails. Graham said that this will be, in effect be an addendum to the original engagement letter.

regards
Judy

From: Craig Evans
Sent: Thursday, 20 December 2012 5:39 PM
To: Judy Dudurovic
Cc: Patrick Vidgen
Subject: RE: Update on Crown Law advice and Deloitte email investigation

Thanks Judy

As discussed – I will read the brief this evening and sign off the letter in the morning. Can you please update once we are clear on how we can settle with Deloitte to complete the additional work. Regards Craig

Craig Evans AM
Acting Director-General
Department of the Premier and Cabinet

S.73 Telephone Numbr

www.premiers.qld.gov.au

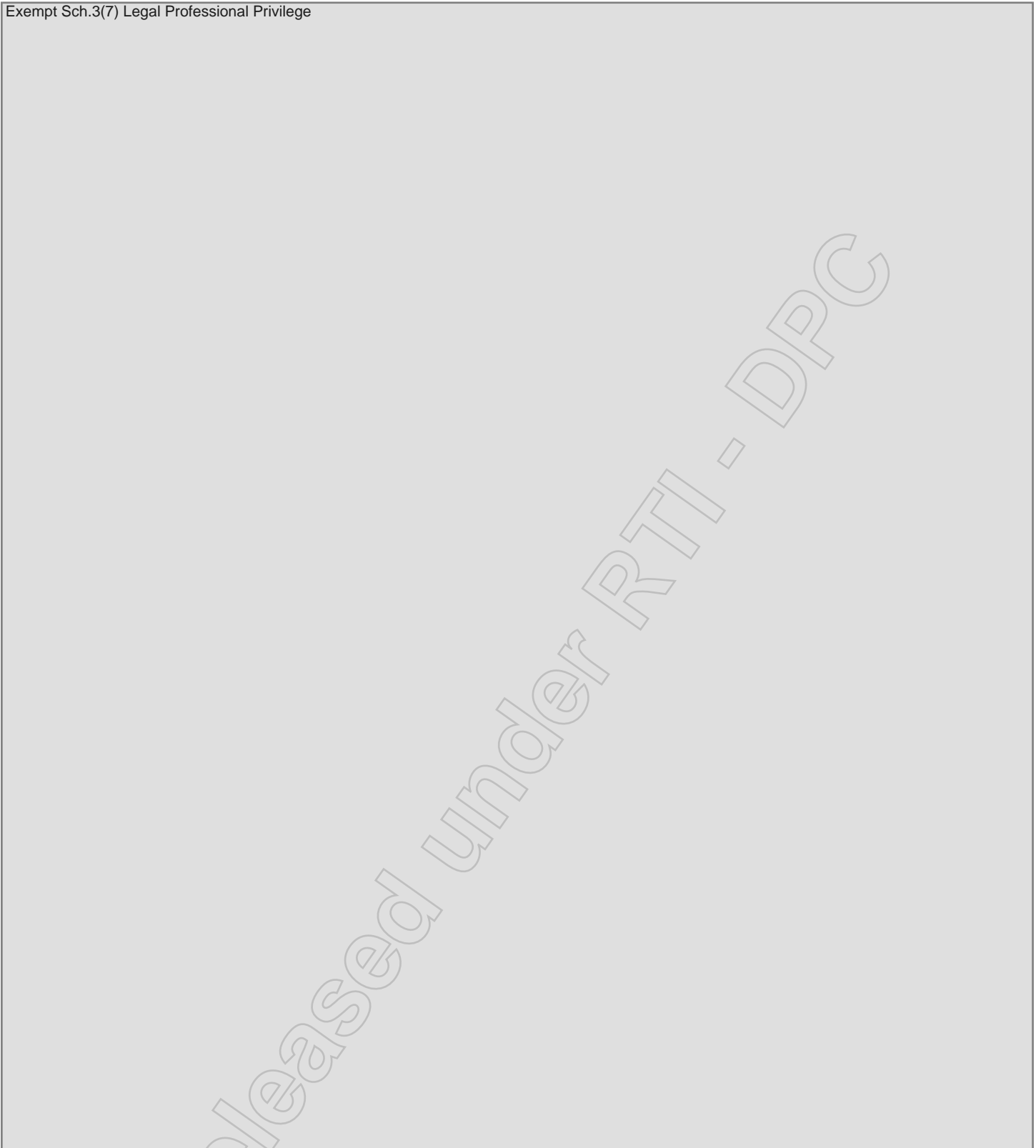
From: Judy Dudurovic
Sent: Thursday, 20 December 2012 5:12 PM
To: Craig Evans
Cc: Patrick Vidgen
Subject: Update on Crown Law advice and Deloitte email investigation

Hi Craig

This email provides an update on the progress of the Crown Law advice and the Deloitte email investigation. I'm also happy to verbally brief you on this at your convenience.

[Update on Crown law advice](#)

Exempt Sch.3(7) Legal Professional Privilege



Overall cost to date

I have asked Graham to provide an estimate of the costs incurred to date.

regards
Judy

From: Judy Dudurovic
Sent: Thursday, 20 December 2012 3:33 PM

To: Kathryn Zahran
Subject: Seeking Crown Law advice

Hi Kathryn

The A/Director-General, Craig Evans has authorised seeking Crown Law advice on the following issue.

Exempt Sch.3(7) Legal Professional Privilege

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regards
Judy

Judy Dudurovic | Executive Director - Business Services | Department of the Premier and Cabinet | Level 1, 100 George Street, Brisbane | judy.dudurovic@premiers.qld.gov.au | (07) 3224 4691 | S.73 Telephone

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Pages 358 through 381 redacted for the following reasons:

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**Department of Transport and Main Roads
Decision Brief
MBN16181**

To: Minister for Transport and Main Roads

Date: 30 July 2012

SUBJECT: Review of contracted long distance passenger transport services	
REQUESTED BY: Departmentally generated	Due date

Approved / Not Approved

Minister 

Date 31/8/12

Recommendations

- That you approve that the Department of Transport and Main Roads (TMR) extends the current air and long distance coach contracts until December 2014 to allow a review of existing long distance services (Option 1).

Background

- TMR regulates and/or subsidises certain rail, air and long distance coach services.
- In 2011-12, TMR provided over \$176m in subsidies for these long distance passenger services - around \$8.7m (excluding GST) for air services, around \$3.4m (excluding GST) for long distance coach services and around \$164m (excluding GST) for long distance passenger rail services.
- All of the current long distance coach contracts will expire on 31 December 2012. The current air service contracts all expire on 31 March 2013 and the current long distance rail contract expires on 30 June 2013.

Action Officer:	Endorsed by:	Endorsed by:	Endorsed by:	Endorsed by:
Chris Basche Director (Contract Management & Service Delivery) Passenger Transport Division	Rose Kent Executive Director (Regulations & Contracts) Passenger Transport Division	Ryan Huelin General Manager (Passenger Transport) Passenger Transport Division	Mark Cridland Deputy Director-General (Policy and Planning) Department of Transport and Main Roads	Michael Caltabiano Director-General Department of Transport and Main Roads
Tel: 3167 4572 (w) S.73 Telephone N	Tel: 3167 4360	Tel: 3167 4534 (w)	Tel: 3306 7320 (w)	Tel: 3306 7122 (w)
Date: 19 July 2012	Date: 20 July 2012	Date: 30 July 2012	Date: 6/8/12	Date:

Issues

- Queensland Treasury has provisionally requested a review of the government supported long distance passenger transport network to identify potential efficiency savings and examine whether regulation and all contracts are still required.
- The rollingstock used on western rail services is currently scheduled to be retired at the end of 2014 unless a major refurbishment is undertaken. Queensland Rail is not yet able to confirm to TMR if the current retirement date can be extended. If the retirement date is unable to be extended, a decision will be required on refurbishment prior to this proposed review being completed as it is possible that the review may provide options recommending changes to western rail services.
- TMR intends for these contracts to align with other bus contracts across the state.

Future Steps

- Please refer to **Attachment 1** for further detail on the options.

Option 1 (preferred option)

- Extend the current air and long distance coach contracts to 31 December 2014 to allow sufficient time for a comprehensive review to be undertaken. This review will:
 - assess the potential to optimise efficiency and to achieve better use of government's investment in long distance services
 - consider a range of existing long distance rail issues, including concession funding, rolling stock renewal and opportunities for rationalisation.

Option 2

- Commence a tender process for the existing air and long distance coach network, without undertaking a review of the network. Existing air and long distance coach contracts will need to be extended until 30 June 2013 to allow sufficient time to undertake a full tender process.
- Rollingstock replacement issues for long distance rail will be addressed in a separate submission.

Option 3

- This is the same as Option 2, except that there would be a modification to the current air and coach network based on performance during the current contract. Air routes that have high patronage and are not subsidised would be deregulated. Long distance coach routes that have low patronage would no longer be subsidised.
- If you require further detail about the review and its potential outcomes, TMR can provide a presentation to you.

Grow a Four Pillar Economy

- The current long distance network ensures rural and remote communities have year-round access to essential services in larger centres at a reasonable fare level, reducing their social and economic isolation and cost of living burden.

Consultation with Stakeholders

- TMR is developing a consultation plan to further refine consultation activities.

Financial Implications

- Financial implications are included under each option in **Attachment 1**.

Employment Impacts

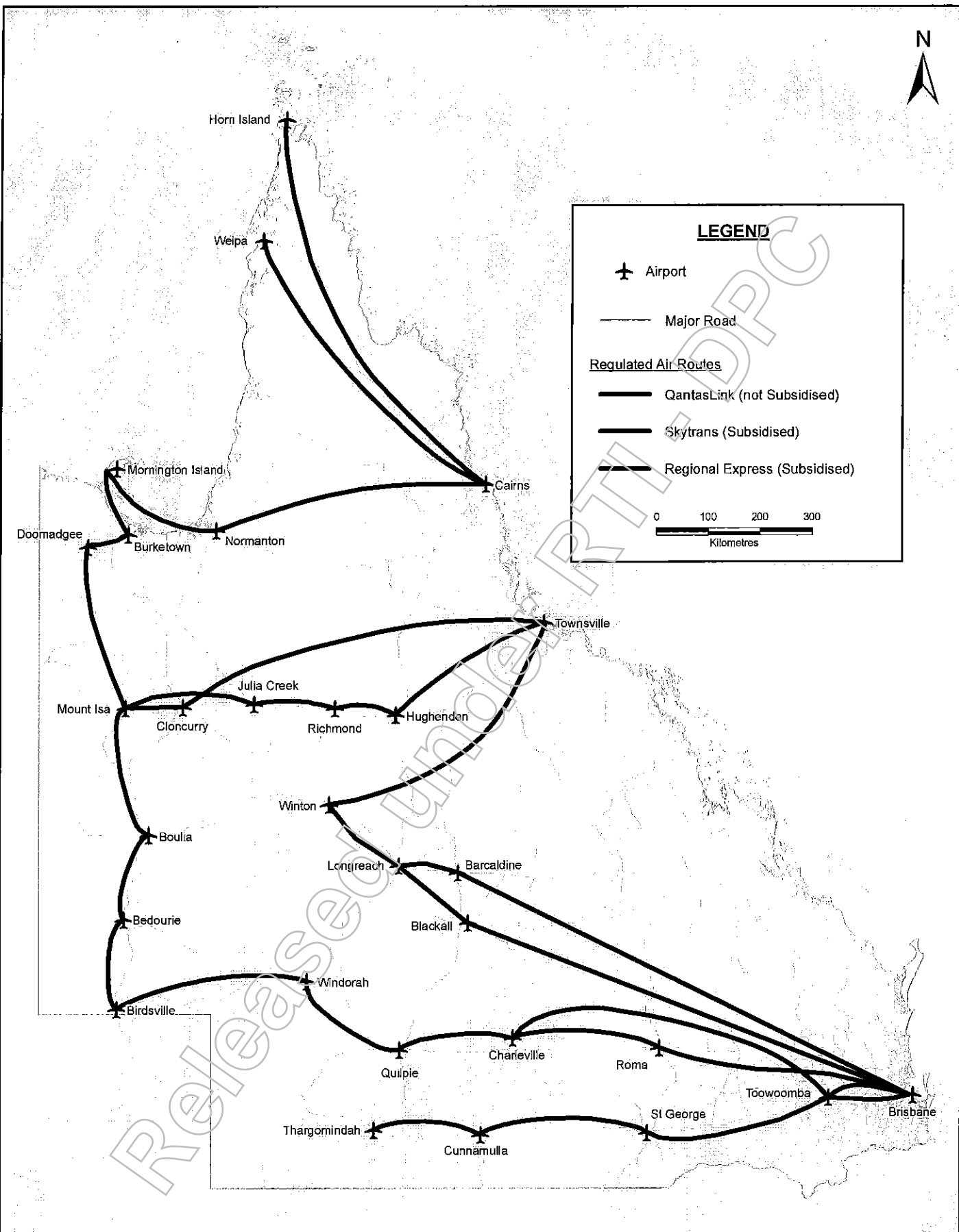
- Nil

Election Commitments

- Nil

Minister's comments:

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LEGEND

- Airport
- Major Road

Regulated Air Routes

- QantasLink (not Subsidised)
- Skytrans (Subsidised)
- Regional Express (Subsidised)

0 100 200 300
Kilometres

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Queensland Government

Produced by:
Technology and Innovation Unit
Passenger Transport Division
Department of Transport and Main Roads
email: ptgishelp@dmr.qld.gov.au

Long Distance Air Services to Regional Queensland

DATE	JOB No	DMS No	INITIAL	REV
28/01/11	2241	-	MJL	A

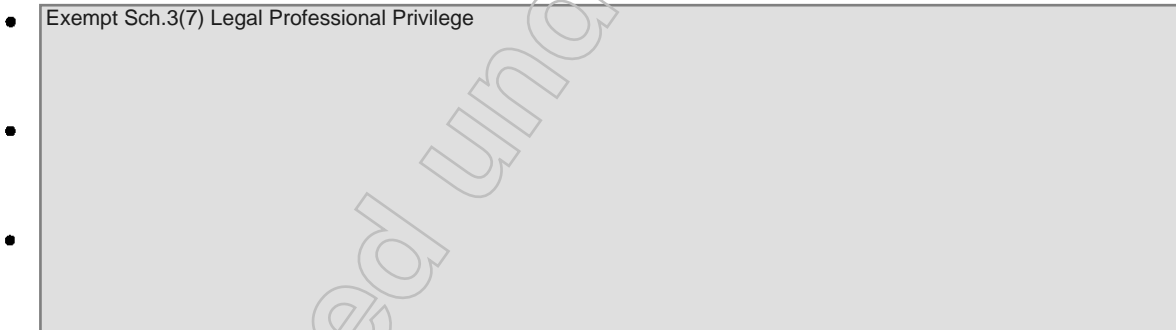


Analysis of the decision by DTMR to extend current air contracts

Prepared by Deloitte based on an investigation conducted on 17 December 2012

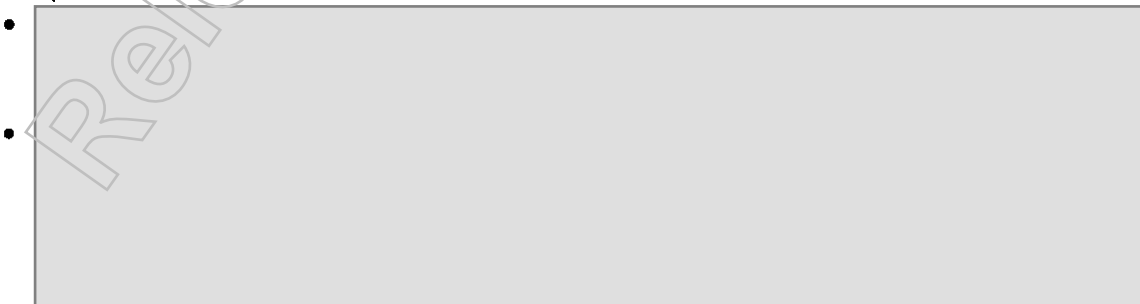
Overall Summary

- Based on documents reviewed and people interviewed it is apparent that the process adopted throughout Regional Network Analysis Stage 3 (RNA) was consistent with a holistic review that incorporated an intermodal review of coach, rail and aviation transport
- The review did consider and incorporate some planning and timeline documents, formation of Steering Groups and internally documented meetings to reflect considerations and decisions made at various stages of the RNA
- Decision Brief MBN16181 dated 30 July 2012 did not consider or document risk attached to the 3 options being considered as part of the RNA
 - Option 1 – Extend contracts and allow review
 - Option 2 – Tender and no review
 - Option 3 – Undertake review and remove high performing air routes
- Context of briefing on Option 1 lacked detail in relation to Air Contracts and what the RNA 3 review would cover
- Contemplation to extend contracts was discussed in May 2012 (9 May RNA Steering Committee meeting)
- Coach and Air contracts have been extended to December 2014. Rail has not been extended and is due to expire June 2013
- Exempt Sch.3(7) Legal Professional Privilege



Original contracts

- There were three original Air Services Contracts entered into, all due to expire on 31 March 2013. These were with Regional Express (REX), QANTAS Link and Skytrans
- The terms and rights of extension clauses in all three contracts provides for extension provisions of 3 – 6 months



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Contract extension

- [REDACTED]
- The contract extensions were discussed at the former DTMR RNA 3 Steering Committee on 9 May where it was stated that *"The need to extend contracts until December 2014 to allow time to finalise the review process was discussed considering work is required to be undertaken internally"*
- We understand that in June/July Acting GM Passenger Transport Integration Mr Peter Millward had a discussion with Executive Director Economic Policy and Director Transport Area during which the issue of extending contracts was raised
- The RNA 3 Steering Committee was advised on 3 August 2012 of advice regarding extensions to contracts where it also noted that the both agencies *"support concept of extending contracts but would require further discussions about the project"*
- This review has not identified any additional evidence of further advice regarding contract extensions being provided to these nominated positions within government
- At this meeting it was also noted that the Ministerial Decision Brief MBN16181 was with the DDG
- The timeline prepared in the form of a Gant Chart (V2) included the consideration to extend the current contracts on or about 24 September 2012. ²
- Minutes of RNA3 Policy Workshop meeting on 20 September 2012, at Agenda Item 2 noted that *"...importantly attendees were advised that Ministerial approval had been provided for current air and coach contracts to be extended to December 2014 which will allow time to conduct the RNA 3 process"*.

Consultation and communication plan

- A draft consultation and communication plan was developed which references a media release by the Minister. A draft media release was provided to the Minister but we understand was never issued. This referenced the review and the contract extensions.
- The draft communication and consultation plan also listed stakeholders that would be consulted *"seeking submissions"* which included Virgin, Jetstar, Hinterland Aviation and others

¹ Note that all 3 contracting parties received Extend to Services Contracts dated 18 October 2012.

² Note that we are advised that a Version 3 of this document has since been prepared which may reflect later dates

- The draft communication and consultation plan also listed risks and opportunities which included "*Raising community and industry expectations*". The mitigation / support strategy outlined for this risk/opportunity included (1) engagement through the consultation process (2) make it clear that this is an exploratory process and (3) adequately brief the Minister on the project scope and provide regular status updates.

Proposed next steps

- Source and examine the RFT documentation in relation to original contracts awarded in 2008 to QANTAS Link, Skytrans and REX to identify those parties who tendered for the various transport routes
 - Identify and examine all official communications involving government and the three contracting parties in relation to the RNA
 - Exempt Sch.3(7) Legal Professional Privilege
-
- In consultation with government identify and interrogate email accounts of employees directly connected to the RNA process to identify any evidence of communication between government and the contracting parties that has not been disclosed.

Released under RMA - DFS

Air Tender Process 2007

Route	Tender Operators
Horn Island	QantasLink CTPI - Business
Weipa	QantasLink
Northern 1 Northern 2 Northern 3	Regional Pacific Airlines
Central 1 Central 2	QantasLink
Western 1 Western 2	MacAir MacAir
Gulf	Skytrans

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2 November 2012

Mr Chris Basche
Director (Contract Management and Service Delivery Branch)
TransLink division
Department of Transport and Main Roads
PO Box 673
FORTITUDE VALLEY QLD 4006

Dear Chris

RE – Extension of QantasLink Air Services Contract

QantasLink is delighted to receive confirmation of the contract extension to 31 December 2014 to service communities of Horn Island, Weipa from Cairns, Longreach, Barcaldine, Blackall, Charleville, Roma from Brisbane and Cloncurry, Mt Isa from Townsville.

We would be pleased to accept the extension and look forward to a continued successful partnership during this period.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Elsa Dalessio".

Elsa Dalessio
Head of Sales and Marketing
QantasLink

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Exempt Sch.3(8)(1) Breach of confidence

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Lucas Clarke

From: Patrick Vidgen
Sent: Thursday, 20 December 2012 2:57 PM
To: Judy Dudurovic; Kathryn Zahran
Cc: Leighton Craig
Subject: RE: Seeking Crown Law advice

Thanks Judy, this looks in order. Is DTMR going to supply copies of the 18/10 extension letters?

Also, I noted from Craig this morning that he was hopeful of the Deloitte report being received by DPC by midday Friday. Is there a timeframe for the Crown Law advice?

Pat

Pat Vidgen
Deputy Director-General | Governance | Department of the Premier and Cabinet
Phone: 07 3224 6061 | Mobile: S.73 Telephone

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