



STATE DEVELOPMENT, INFRASTRUCTURE AND WORKS COMMITTEE

Members present:

Mr JJ McDonald MP—Chair
Ms JM Bush MP
Mr TA James MP
Mr D Kempton MP (via videoconference)
Mr SR King MP
Mr BJ Mellish MP

Staff present:

Ms S Galbraith—Committee Secretary
Ms R Duncan—Assistant Committee Secretary

PUBLIC PORTFOLIO BRIEFING—DEPARTMENT OF TRANSPORT AND MAIN ROADS TRANSCRIPT OF PROCEEDINGS

Wednesday, 5 February 2025

Brisbane

WEDNESDAY, 5 FEBRUARY 2025

The committee met at 11.19 am.

MAHON, Mr Andrew, Deputy Director-General, Policy, Planning and Investment, Department of Transport and Main Roads

MITCHELL, Ms Julie, Deputy Director-General, Infrastructure Management and Delivery, Department of Transport and Main Roads

SMITH, Ms Amanda, Acting Cabinet Legislation and Liaison Officer, Department of Transport and Main Roads

STANNARD, Ms Sally, Director-General, Department of Transport and Main Roads

CHAIR: I welcome the director-general and the team from the Department of Transport and Main Roads. Director-General, I invite you to introduce your team and brief the committee, after which we will have some questions for you.

Ms Stannard: Thank you so much for the opportunity to be here. Good morning, everyone. It is my pleasure to introduce my Deputy Director-General, Andrew Mahon, who is responsible for Policy, Planning and Investment in Transport and Main Roads; and Julie Mitchell, who is the Deputy Director-General, Infrastructure Management and Delivery, in the Department of Transport and Main Roads. We look forward to responding to your questions today and I will look to the support of my colleagues as we do so. I begin by respectfully acknowledging the traditional owners and custodians of the land on which we meet today. I pay my respects to elders past and present and I also acknowledge any First Nations people present today. I am going to give you an overview of the Department of Transport and Main Roads—our work, who we are and the challenges and drivers and motivations that we have for the work that we do for Queensland. I look forward to exploring with you how we make a difference to the lives of Queenslanders and my colleagues and I would be more than happy to take your questions.

TMR is a large department with an incredibly diverse workforce. We are driven by our vision of connected communities in a sustainable, thriving and inclusive Queensland. We fulfil a vital role—connecting people through more than 33,000 kilometres of state controlled roads, some of which are currently under water in the Far North, and I acknowledge that many people are cut off because of that, so we are working hard to restore those connections as fast as we can. I also note that we carry 167 million public transport trips each year. Our transport network carried \$112.7 billion of goods exported internationally from Queensland in 2023-24. The network also brought more than two million international visitors to Queensland, gets Queensland's three million employed people to work and connects everyone to leisure, community and essential services.

TMR is structured into five divisions: a Corporate Division which leads and shapes corporate solutions like HR, finance, IT and procurement, ensuring consistency across our diverse business; a Customer Services, Safety and Regulation Division, ensuring a seamless and secure transport experience by prioritising customer satisfaction and mobility, as well as safety; our Infrastructure Management and Delivery Division, which operates, maintains, builds and optimises Queensland's state controlled transport network—as I mentioned, Julie Mitchell leads that division; our Policy, Planning and Investment Division that defines and shapes key strategies and plans for how we will manage and maintain that transport network—an integrated transport system across Queensland; and our Translink Division that connects Queenslanders through the delivery of customer focused passenger transport services. TMR works collaboratively with three statutory authorities—the Gold Coast Waterways Authority, Queensland Rail and the Cross River Rail Delivery Authority. We also work with four government owned corporations—Far North Queensland Ports Corporation, the Gladstone Ports Corporation, North Queensland Bulk Ports Corporation and the Port of Townsville—as well as one publicly owned private company, Transmax.

In terms of infrastructure investment, TMR publishes the Queensland Transport and Roads Investment Program annually to provide transparency to the community, industry, government and organisations about current and planned investments in transport infrastructure across Queensland over the coming four years. QTRIP investments span road, rail, maritime, public transport and, importantly, active transport to ensure that across the state, national and local networks we are keeping up with the needs of Queenslanders. Investment is planned right across Queensland and it includes approximately \$9.9 billion of investment relating to regional Queensland. The 2024-25 to 2027-28 QTRIP includes significant rail investment—the largest ever—with \$14 billion programmed over the next four years towards delivering transformative rail projects to support our growing communities.

I am sure you will be aware of the recently announced significant investment from the Australian government to deliver safety upgrades to the Bruce Highway. The Bruce is critical to the movement of people, freight and tourists across Queensland and the funding will deliver a raft of safety improvements that will include safety barriers, tactile line markings, overtaking lanes and rest areas. We are fortunate to have some outstanding technical experts across TMR who are partnering to deliver this massive program of work. They will do that in partnership with industry right up and down the Bruce to improve the safety for everyone travelling on that important corridor.

The freight system is a vital consideration across our portfolio and we are committed to ensuring the freight system meets the growing transport needs and priorities for the community. Especially now when roads are cut, we see the vital importance of those connections to ensure communities have what they need. Our roads support a broad range of those freight movements. Some of them are express movements of perishables, livestock and consumer goods, to name a few. Our aim is to match the right mode to the right load to ensure that our road networks support time-critical freight movements as a priority. We also believe the rail network has a major role in building a resilient freight network by enabling the movement of less time-critical freight around South-East Queensland and regionally. TMR is focused on the growing freight task in Queensland and we are focusing on several policy, planning and investment strategies that are aimed at supporting business and industry to effect change. We feel that by maximising the use of rail we can free up space on key corridors and ensure safe access for everyone.

We are also focused on decarbonising the transport sector. We know that by 2030 transport is forecast to become the largest source of emissions in Australia due to the growth in uptake of larger vehicles, medium and heavy-duty trucks and because we are seeing rapid decarbonisation of the stationary energy sector. We are undertaking activity to decarbonise the transport sector through initiatives such as the Queensland freight strategy and action plan. We are also very focused on using sustainable and recyclable materials in road construction and maintenance activities, and again research by technical experts here is leading the way in the use of more recycled materials in our roads. We undertake sustainability assessments for our infrastructure projects to ensure we can find the most efficient way to sustainably deliver that infrastructure.

Queensland also has a Zero Emission Vehicle Strategy through to 2032 to encourage zero emission vehicle uptake and ensure our energy networks are ready to support that transition. We are very focused on the role of passenger transport in helping people to have other ways to travel, and that is about encouraging and ensuring the improved availability of passenger transport, enabling people to choose to use public transport instead of cars where they choose to do so. We cover that in a strategy called Creating Better Connections for Queenslanders. In addition, we have a Cycling Strategy through to 2027 and a Walking Strategy 2019-2029. Both of these strategies are about supporting customers to avoid short trips in private motor vehicles, providing active transport options for the community.

Something that has always been very important to me in terms of how we get people around is how public transport can unlock access for people in their communities. It can make a real difference to how people live their lives. As an example, TMR introduced almost 2,200 new weekly bus services across Queensland, with over 1,800 more existing weekly services extended to service new growth areas. This resulted in over 40,000 more Queenslanders now living within 400 metres of a public transport service. That enables choice for people in terms of how they get to work, school, hospital or to visit friends and go shopping. We will continue to roll out bus network improvements over the next three years in Ipswich and Logan where we have plans to introduce a bus service within 400 metres of around 60,000 residents who currently do not have that access.

The 50-cent fares project is another thing I wanted to touch on in terms of how customers are enjoying the opportunity to ride on the network. From 5 August fares were reduced across public transport to a 50-cent flat fare on all zones and modes on the Translink network across Queensland. This includes all regional urban bus services and bus, train, ferry and tram services as well as

on-demand services in South-East Queensland. Public transport users have saved more than \$161 million since the introduction of 50-cent fares based on the same number of trips being taken under the previous fare structure. From Monday, 5 August to 12 January 2025 there were more than 83 million trips taken in South-East Queensland—an increase of about 18 per cent from the benchmark period in 2023 and almost five per cent higher than pre-COVID patronage levels.

Working in partnership is absolutely essential to TMR's success. It is part of our strategic partnerships with government and with industry. To give you an example, we are very proud of the Roads and Transport Alliance—a partnership between TMR and Queensland's local governments that saw 220 projects delivered across the state in 2023-24 by our local government partners.

Another example is the strategic alliance between TMR and AfPA. AfPA is the Australian Flexible Pavement Association. We recognise through that alliance the importance of collaboration and working together to deliver road infrastructure that meets the needs of users, stakeholders and the community. We know that industry and TMR have shared challenges. We are facing the difficulties of attracting and retaining people to do the important work in front of us. We also note there are significant fiscal constraints, so we are very focused on delivering cost certainty in the program.

We have a long and proud history in TMR of working closely with industry to deliver together, so it makes sense that working closely with our industry partners will help us jointly address these challenges. We have a project called the Collaborative Project. It is about developing and implementing a collaborative procurement and delivery model for infrastructure. This responds to industry's requests of us to support and work with them through these difficult, fiscally constrained times. We also note procurement is one of the earliest and most effective levers we can use to influence outcomes on a project. Adopting a collaborative procurement and delivery approach helps us maximise these outcomes, strengthen relationships and achieve better value for money for Queensland.

We are contributing to a more sustainable, thriving and inclusive Queensland, creating more services than ever and serving customers over 24 million times each year. Smart ticketing is one example of how TMR is delivering customers new technology and new ways to pay for public transport in Queensland. We are also investing in a range of other technology spaces to drive productivity improvements in the way we do our own business and in how we serve customers. These include data science and analytics, digital identity, robotic process automation, generative AI and machine learning—words that have recently come into the nomenclature of everyone and words we are now using to improve our business.

We have a strong focus on working with communities. It is a guiding principle for the way we work in TMR and for the services we deliver to make sure they are accessible to every member of our community. The Queensland Train Manufacturing Program, for example, will build 65 new six-car passenger trains at a purpose-built manufacturing facility in Torbanlea. A co-design process is ongoing with the disability sector to inform the design of that rolling stock, and that will shape those trains to ensure they are compliant and functional and accessible for all passengers. As well as consulting with accessibility advocates, the co-design process means stakeholders have input. Active transport groups come to our mock-up of the trains and train crews sit on board the train as it is built as a mock-up to experience what the train will be like. It is a real recognition that many people will use and rely on these trains. You might also be aware of a new Move Together campaign that was co-designed with people with lived experience of hidden disabilities. Some of these people rely on our public transport services as the only way to get around. That program talks about the practical things we can all do to improve that public transport experience for everyone who is on board.

Another great example is Queensland's first digital licence app. This was launched statewide in November 2023. Before we commenced that procurement process we worked for thousands of hours doing research with customers to understand whether they were ready for a digital licence, whether they wanted one and what would engender trust for them in this product. Our customers were directly involved in the selection of the vendor to ensure we could reassure them about the product that was coming.

That role of engagement with both stakeholders and the communities we serve is becoming more and more important for us all. To achieve our goals TMR is committed to ongoing collaboration with industry stakeholders, with government stakeholders, with customers and with the community. This encompasses how we support access to jobs, education and health services, how we link people and communities to social opportunities and how we deliver outcomes that are environmentally focused and sustainable for the future.

Before I move on to another topic I wanted to touch on some of the amazing ways we work in our communities to make a real difference. For over 40 years the TMR School Crossing Supervisor Scheme has provided safe passage for millions of Queensland students travelling to and from school. Since the start of the scheme in 1984 not a single fatality has occurred at a supervised crossing in our state, and that is strongly due to the commitment and dedication of our school crossing supervisors and the passion they have for their jobs. Many of our school crossing supervisors have served their school for years, even decades. They form close bonds with their local communities, and their commitment to road safety extends well beyond the crossing. Supervisors attend assemblies, they demonstrate safe road crossing at schools and they call our kids out if they are not doing the right thing. We rely on them greatly.

Our Indigenous Driver Licensing Program is another one that is important for the state. It continues to play a crucial role in removing barriers to employment and reducing the incarceration rate for road related offences. The program team deliver identification, licensing and road safety services to remote and discrete First Nations communities across the state. Our safety teams make regular visits to schools across Queensland discussing everything from road safety to traffic lights and school crossings with children of all ages. It is never too early to start to learn to be safe on and around roads.

That focus on safety, whether it be road safety, level crossing safety or maritime safety, is one that we are very passionate about. We are laser focused on education and accident prevention as well as enforcement. TMR's StreetSmarts initiative focuses on improving road safety through a series of innovative campaigns. We target critical issues on the road network. You might have seen recently the Drinking? Never Drive campaign. With over 170,000 followers, our StreetSmarts shares road safety messages across social and digital platforms, reaching around 1½ million individuals monthly. We use partnerships with the Gold Coast Suns, Queensland Cricket, Caravanning Queensland and the North Queensland Cowboys to further amplify the message using trusted partners in the community.

The Queensland Level Crossing Safety Strategy 2024-2033 and the action plan sets out a road map for how we will meet the challenges in improving level crossing safety across Queensland. Zero harm at level crossings across Queensland remains the long-term vision, founded on the firm belief that level crossing accidents are avoidable. The strategy aligns with the National Level Crossing Safety Strategy. It builds on work undertaken nationally. A signature action Queensland is about to commence is a proof of concept to use camera technology to identify unsafe behaviours at level crossings. Some of those are active level crossings with boom gates and some of them are passive with no protection, but we need everybody to be safe as they use our network.

Our maritime enforcement team, which is part of Maritime Safety Queensland, undertakes enhanced compliance and education activities on Queensland's waterways primarily using personal watercraft. During 2023-24 that team conducted patrols throughout Queensland waterways, including enforcement programs within the Mackay, Gladstone and South-East Queensland regions. The enforcement team works closely with our compliance partners, coordinating targeted safety campaigns and operations across the state. Our key compliance partners include QPS, Queensland Boating and Fisheries Patrol, Seqwater and Queensland Parks and Wildlife Service.

It would not be fitting to talk to you without talking about the people who make TMR the place that it is. I just want to touch on some of the ways we are supporting and developing our people to ensure we have the best public servants to serve the community. Our gender equity plan was launched in 2019—one of the first across the sector—and updated in 2022. We champion a range of programs, including Wonder Women, Women in Construction, Women in Project Management, Women in Engineering and Women in Maritime. These programs support and mentor women to progress through the sector into highly paid, in-demand fields and help to close the gender pay gap in male-dominated industries. Through these programs we celebrate diverse and inspirational women in the department across many disciplines and provide executive mentoring and opportunity to up-and-coming superstars.

Our graduate program is another stream we utilise to recruit and build a talent pool of highly qualified, capable employees to address current and future technical workforce requirements and targeted skill shortages. As a top 75 graduate employer, we provide endless opportunities to shape the future of Queensland. The program offerings include learning and development, including on-the-job training, and participants also receive permanent employment at the end of their graduate program.

We have established a yarn and grow mentoring program to support our Aboriginal and Torres Strait Islander staff who are looking for guidance as they make the next step in their career. Our participants are partnered with senior experienced staff to identify and achieve their career goals in a safe and culturally appropriate space. Mentors have the opportunity to learn, too. They guide their mentee to potentially become a First Nations leader, but they also increase their own knowledge of that beautiful culture in our country. TMR is also an organisation that supports lifelong learning for our people as well as promotes achievement and recognition through our own internal CUBIE awards. These are based around our values of customers first, unleash potential, be courageous, put ideas into action and empower our people.

In summary, I hope I have given you an overview of not only what we deliver as a department but also the partnerships and dedication to our customers that drive us forward. In terms of priorities, the services we deliver have to be reliable and, for me, that is about earning the trust of our customers so they know we will be there when they need us. It also means our services must be responsive and resilient. They must be able to adapt quickly to the changing needs of the people who use them every day and we must be ready to respond when challenges emerge. That is a fine point to conclude on as I see the responsiveness across TMR to the needs of flood ravaged communities right now. I thank all of my staff who are out there working at this time. I believe we have the commitment and expertise within TMR that, with the right partnerships, we can deliver where it matters. Thank you. My colleagues and I are happy to take your questions.

CHAIR: Thank you. I appreciate that and look forward to seeing the deliverables of that raft of improvements for the north. As is customary, I will go to the non-government members for the first question.

Mr MELLISH: On behalf of the opposition, and to be so bold as to say on behalf of the committee, I would like to start by thanking you for your ongoing work in the flood recovery works underway at the moment. It looks pretty rough up around north and south Townsville. I know there would be lots of TMR staff on the ground and working around the clock down here. Thank you for your ongoing efforts in that regard. This might be a question better suited to Ms Mitchell or Mr Mahon. I want to get an update on the Barron River bridge planning project and where that is up to.

Ms Stannard: I will ask if Julie Mitchell could talk to that. It is a really important region for the north and a location that we are very focused on ensuring we have a great solution for.

Ms Mitchell: The Barron River bridge case has been completed and we have a funding envelope for what is required to replace that bridge. We are moving into some pre-construction activities so that the ultimate bridge replacement is not held up. We will be going through the next budget cycle seeking funding for the major capital works for that bridge, but we have enough money to continue moving forward with the pre-construction works so that we are not held up with the actual solution.

Mr MELLISH: Can I ask about Bribie Island bridge and where the process is up to on that project?

Ms Mitchell: I am aware that it is a government election commitment from the current government to replace the bridge, and that is progressing. Once again, the actual submission for the funding and the timing of that will be subject to budget consideration this year, I understand.

Mr JAMES: Thank you for your introduction. One of the first phrases you used was 'we are here to make a difference'. I like that. I come from regional Queensland, up in Cairns, and sometimes we feel a little bit neglected up there because of the distance from down here. One thing you could do to make a difference—and I will take this up with the minister as well—is increase the frequency of the mowing. We watch the grass grow in front of our eyes, with the humidity and the rain we get. It is totally different to down here in Brisbane. On the roundabouts in the northern beaches and around Cairns the grass grows much taller than me and you cannot see across that roundabout. In your deliberations, could the frequency of mowing be looked at? I have brought it up with your local manager up there many times and they just tell me there are budget considerations. They only mow once every three months, which is absolutely ridiculous. The frequency needs to be looked at more so than what you would generally put across the state because we really do look like the poor cousins. It is shocking. I am sure my fellow member for Cook, who would drive that road very often, would agree with me. It feeds straight into your road safety upgrades and everything you have spoken about. Something very simple would make a difference.

Ms Stannard: I thank the member so much for the comment. I acknowledge your point about how often it takes to mow at the moment. We are feeling that in South-East Queensland as well. I acknowledge that the significant humidity up north promotes growth. Certainly, our operational maintenance at the edges of the network are a priority for us and, in any location where we can identify a safety matter, we would look to address that straightaway so I thank you for raising the topic.

Certainly in our operational metrics, maintenance is one we are examining at the moment to determine whether we have enough budget to do the right things that are needed across a fast-growing network, as you can imagine. You are talking about parts of the network that are established. There are many growing needs across the state. We will certainly examine that and take on board your feedback about safety around the road network.

Mr JAMES: Following up on that, I have worked in local government. I spent 22 years on the Cairns Regional Council prior to this. I think more partnerships with the local councils would work a lot better because, really, the maintenance that the local councils do compared to Main Roads is chalk and cheese. They take a lot of pride in what they do. Could you form partnerships with them and let them do some of these things closer to the cities?

Ms Stannard: I will ask deputy-director Andrew Mahon to comment on our partnership with local government. It is certainly something that we are proud of. In fact, local governments do hold maintenance contracts for us in many locations around the state. Certainly something we would be willing to look at is whether we can leverage that further. I will invite Andrew to make a couple of comments about that partnership.

Mr Mahon: Absolutely. The transport alliance and the regional roads and transport group arrangements that we have with local government work effectively at delivering the transport infrastructure program that we fund with local government. There is \$75.9 million annually in that fund. We do need to look at leveraging that opportunity for other things. For example, the government has made a commitment to a country roads fund. We will be looking to utilise those existing arrangements and relationships to build on those or deliver those funds. We can also look at other opportunities that you have just mentioned around how we look at more general maintenance and so forth. We do contract local government for a lot of our delivery, particularly through that program. Something that we can absolutely look at is how we expand, utilise and build off something that works effectively and have great relationships for other services like the ones you have mentioned.

Mr KING: Thank you all very much for coming in. I know how busy you are. I am looking forward to continuing my long relationship with TMR and I am looking forward to some Heavy Vehicle National Law. It is exciting stuff. I am sure the burning question from everyone on the committee is about a major project in the south-east. When can we expect the first passengers to be on Cross River Rail?

Ms Stannard: You will know that the government released some updated advice about the cost and timing for Cross River Rail. At that time, it was noted that significant commercial negotiations continue to be underway on the project. You will know that 2029 was the year announced, just prior to Christmas. We are continuing to work very closely with the delivery partners and Queensland Rail, through the Cross River Rail Delivery Authority, to refine that timeline and understand exactly what and when. We will continue that commercial negotiation with our delivery partners in order to understand what they are able to do over the coming years. We will continue to update the committee and the public as that information comes closer to the time.

Mr KING: I have a question from a constituent of mine about active transport. He is very upset because he can take his pushbike onto the train but he is not allowed to put it on the bus. I have worked through the impracticality of it with him, but I wonder if you have any thoughts on that so that I can report back to him.

Ms Stannard: I note that your constituent is not the only person who would love to do that. I might reflect on the bikes on trains initiative. We were shocked and amazed at how many people wanted to do that. For many years we have talked about what we could do. We found it was resoundingly popular, particularly for people who live in areas where there might not be buses connecting them to their rail station but they can ride their bike. People may also want to bring their bike to the end of the network so that they can use it to get around in the inner city or to do other activities there. We have taken that to heart in the design of the Queensland Train Manufacturing Program. We will be providing dedicated space for bikes in a couple of the carriages. We think that will make a big difference to the travelling public. Obviously, trains come with a different amount of space available.

The difficulty with enabling bikes on buses is being able to do that reliably because, while I might be able to identify one route where the bus is never full and it might be a bit more possible in terms of someone having a folding bike and being able to bring that on board, I do not want to have a situation where I have said that but we cannot do it everywhere because other buses get crowded. There is a series of safety considerations for drivers and operators of bus networks. We continue to work with our operators about that, but for them to take a bike on board that is not fastened or secured would be a very significant risk for them, for their driver who has to drive that vehicle safely on the road and for other customers.

Certainly with folding bikes there are some dimensions that we provide online. They are not common in Australia although the product market is shifting. Those are suitable to bring on board if they fold into a certain dimension and those dimensions are on our website. For some people that might be useful. Over the years there have been various trials involving racks on the outside of buses to carry bikes but, unfortunately, they have been unable to pass the stringent safety and design rules that are required for safe on-road travel. There is also an issue about loading and unloading in a timely manner. We are very focused on trying to keep the buses on time, as are our delivery partners and I know for customers that is important.

It is a difficult one. We want people to have lots of ways to get around but it is not one where we have been able to work through all of those factors to make it reliable and available at all times.

Mr KING: Thank you very much. That is pretty much what I have been through but now we have it explained officially. I appreciate that, thank you.

Mr KEMPTON: Thank you for your presentation, Sally. Given the challenges, you have set the bar pretty high and I will be watching with interest to see how well you do. How do you propose to address the significant imbalance in terms of expenditure and service delivery between the south-east corner and the regions and, in particular, the north and the west, when historically TMR has been dogged by delays in buy ups? I can give you the example of the \$40 million cassowary bridge at Tully. The Kuranda Range had about the same amount spent on cameras. In particular in my area, the Archer River bridge faced a nearly \$100 million overrun. TMR often undertakes repairs to roads without doing betterment. In this region where we are frequently subjected to cyclones and flooding, it seems to be just doing the same thing over and over. There does not appear to be a priority or long-term strategy about what roads will be fixed and when. To give you an example, with the flooding now there is no internal access to bring goods and services to Cairns and other areas in the north. I understand the reason is that 28 kilometres of the Hann Highway remain unsealed. I am interested to know how you are going to fix the priorities for the north and fund them.

Ms Stannard: I thank the member for the significant questions. I feel those are the things on our mind as you have listed them. There are some very significant challenges in that list. I will touch on a couple of them and then invite both of my colleagues to talk to that, with the permission of the committee. I will ask Julie to talk to a program where we are looking at increasing the certainty of the cost of infrastructure delivery. I can assure you that we, like you, are focused on how we make the most of the investment that is provided to Queensland so we have undertaken a number of reviews and work ourselves to think about what we can do in this context. I will ask Andrew to talk about some of our work with local government to prioritise across the regions those last sections that are making a big difference right now in the flood affected inland. Andrew will be able to talk to that.

I will touch on your SEQ and regional question first. As one born in the bush, not the Queensland bush but in New South Wales, I promise you that trying to get trucks loaded and cattle on board a truck and get up a driveway and to market is something that I experienced as a child because when you are on a farm everyone has to help. I promise you it is not unknown to the department and we are focused on how we do that well. There are different needs in SEQ and across the regions. It is an ongoing challenge to make sure we are allocating the money where it is most needed and at the time when it is most needed.

You will know there are very significant population pressures in South-East Queensland. The region is growing very fast and we are struggling to provide enough capacity to continue to provide a reliable and resilient road network. At the same time, across the state right now there are communities that are cut off because of floods that have cut very important roads. You talked about the inland access. We are focused on inland freight access to Cairns. In fact, I have been staring at those maps a couple of times this week to see what has opened and closed overnight. We are experiencing some one-in-100-year events, we think, around Ingham at the moment and certainly with the rainfall last night at Etheridge. We feel for our colleagues there who have had to evacuate people overnight. We experience rainfall in Queensland and your team and our local representatives are extremely responsive, but the network is under pressure. We are very much considering how we can do

betterment at the same time as recovery of these networks. In fact, when we visited networks impacted by Tropical Cyclone Jasper last year, some of the foamed bitumen that we were able to put in place were the only sections of road that were left. As an engineer that means something to me. What matters to you is that we spent a bit more on the pavement and it lasted through the cyclone. That is what we need to be looking at here.

I can reassure the member that that conversation has started already for us. We are being asked already what betterment could be delivered through our recovery in this location. I am meeting tomorrow with the Queensland Reconstruction Authority and the National Emergency Management Agency to talk about betterment in the corridor we are facing right now, so it is high on our radar. We will be looking at the number of closures that have occurred along the Bruce and the frequency of those closures. Then we will be looking further to the west to apply that same logic in our conversations with the Commonwealth about betterment. Everybody is focused on it. As we look to secure that funding, we are also looking at how we make the most of that. I will hand to Julie in the first instance to list a few of the things we are doing to ensure more certainty in the cost of infrastructure delivery in what has been a very significant hyper-escalation period in the delivery of infrastructure.

Ms Mitchell: This is a very complex and multipronged question but I will talk a little about your mention of cost blowouts. COVID was a major event in construction, particularly civil construction. We have seen record numbers of builders go broke in all states. The civil sector has not been quite as impacted, mainly because of our flexible approach to how we are dealing with that industry. We saw gravel go up by 62 per cent, bitumen go up by one-third, asphalt by 40 per cent, concrete increased by 50 per cent, and all of our precast products and steel go up in some cases by 76 per cent. The budget put aside for the projects that were under construction pre and just post COVID did not have the escalation rates that we have seen. They were unprecedented and unforecastable. This has had an international impact.

As well as that, in the nation as a whole we have had quite a large pipeline of major infrastructure projects that draw on the same pool of labour and contractors. The rate for payment of labour has gone up slightly higher than other sectors because of the demands on them for skilled labour vis-à-vis some of the dam work and the hospital work in Queensland and the energy transformation with wind farms et cetera that have had a demand on the labour pool. All of that has meant an increase in the cost of projects. We know a lot of it was well beyond our control in terms of what happened, including wars in Ukraine and all sorts of things that dramatically impacted the industry. However, we had a moment and went, 'Hang on. We can't blame other people anymore. Let's just get on and work out, from our own internal reviews, where were these sources of increased costs that we hadn't foreseen.'

We have had some major learnings from those reviews that we did. One of them was that a lot of it was about design. There were design errors and the estimated quantities were not quite right. We had not spent enough energy and effort on identifying risk and then doing the investigations required to ensure we had adequately mitigated risks. There were many contributing factors, including that some of our expertise was not quite as good as it should have been in the area of estimating and forecasting cost escalation rates—so looking more externally on what was likely to happen.

We have compiled a project that proposes to engage further with the design consultants to make sure they improve their design quality. We are going to target further investigations—those investigations that are necessary to get very good cost certainty and deal with the risk and uncertainty. We are going to improve our estimates to make sure they are completely robust and have them independently reviewed. We will make sure there is adequate contingency within the jobs. That has been eroded over time. Also, the program contingency has been eroded in dealing with cost overruns on projects.

We will be doing increased value engineering so that, while we make sure we keep the whole-of-life benefits, we make sure we cut out anything that is a nice-to-have. We have to embed all of those. While sometimes our practice is good, it is not completely uniform so we have to embed it in all of our processes and guidelines et cetera.

That is what we are proposing to do. It will take us probably 18 months, I think, before we get that done. We are trying to go for the early hits here of making sure the things that have a geotechnical risk are properly investigated and making sure we are doing the environmental assessments early. PFAS, which is found around airports, is a nasty product from firefighting foam and we have to remove that, at an enormous cost which was completely unprecedented. We are looking at how we can investigate that better and know the costs of that. The removal of that material has been a major source of claims around the whole country by contractors against principals.

That is probably a pretty good summary of where we are at. Andrew might be able to talk about a range of programs that specifically target outside South-East Queensland.

Mr Mahon: Earlier I touched on the country roads program—the \$100 million program that the government has announced—and we are currently working on the criteria for how we deliver that. I mentioned earlier that one of the key opportunities for us there is to utilise existing relationships and governance to be able to deliver a program like that. It is focused largely on sealing unsealed roads. It is something that local governments raise with us a lot, whether they are our roads or local government roads, as being inhibitors to connection—particularly challenging during wet weather periods. We will be building that program to centre on the sealing of unsealed roads where those connections are.

Local government is also very good at delivering these projects on our behalf. Many of them, particularly some of the more regional ones, have their own engineering and delivery crews. We rely on them really heavily because they are very efficient and very good at delivering these sorts of projects, and it helps the local community with employment and so forth. We will be working that up and hopefully the government will be able to make announcements on how that will be delivered in the not-too-distant future.

We do have other programs, and you mentioned the Archer River bridge. I was up there in September last year and had a first-hand look myself. It is an opportunity for betterment. It is certainly an infrastructure piece that is providing betterment, as you mentioned. In challenging environments, in the context that it goes under water during the wet season, they cannot continue construction there. That certainly has provided challenges that other infrastructure perhaps does not have in South-East Queensland. Nonetheless, it will be a great opportunity for betterment in that region, and certainly the locals, when talking to them up there, were very keen to see that open as soon as possible. That is a good one.

We will continue to work with local governments in that space and continue to look at, as the director-general said, how we can recommend to government opportunities to spend more in the regions, find where critical infrastructure needs to go and make sure we continue to do that as we go through each budget cycle.

Mr KEMPTON: Julie, with all of the measures you are taking in relation to trying to resolve that issue, I think one important one is accountability within the department. Some of these issues do rest with somebody who is responsible to ensure these things that have been going wrong do not go wrong in the future. I only make that as an observation.

Ms Mitchell: Thank you for that comment. There have been considerable discussions about that within the department.

CHAIR: Andrew was talking about the local governments. How many of the 77 local governments have RMPCs, regional management contracts?

Mr Mahon: I do not have that number off the top of my head. I apologise. We can get that number for you. All local governments are involved in regional roads and transport groups. That encompasses every local government across Queensland—all 77, I think the number is. We engage with all of them in some way, shape or form through that forum, but we will have to confirm the actual number of RMPCs for you.

CHAIR: No problems. I just thought some of the local governments do not have capacity but it might be something. Thanks for that.

Mr MELLISH: Director-General, the government has received advice on savings as a result of pausing BPICs. What is the department's expectation on how much it will save?

Ms Stannard: The BPIC policy has been paused, as you know, and there is a range of projects that are already contracted. Those projects need to continue with the contracting arrangements that are set up at this time. Obviously, enterprise bargaining agreements that have already been struck also have a life and will continue through that period.

Some projects are in procurement and we have the opportunity to work with tenderers while they are still in that competitive phase to see if there is anything they are able to adjust, and they will do that. It is important to note that labour rates are influenced not just by policy but also by demand in the market. There is a range of factors that are impacting the cost of infrastructure at this time.

The BPIC proportion of costs on major projects is something that will be examined further by the Queensland Productivity Commission as it looks into the costs of delivering infrastructure. We note that it may take some time to adjust and it will be very difficult to isolate, compared to the impacts of that strong infrastructure pipeline that is in place in Queensland and the demand for skilled labour to deliver the infrastructure that is at hand.

CHAIR: Thank you very much for the answer. I think the Auditor-General reported there would be a \$10 billion cost in the forwards from BPIC. That is a separate issue. The next question is from me. Following on from the procurement aspects, the department is quite a large department, with a budget of \$9 billion or thereabouts. Can you tell us about the importance of procurement? You mentioned that in your opening remarks, Sally, but what is the share of that procurement to local government or private contractors and then delivered by the department through your agencies?

Ms Stannard: I thank the member for that question, and I see Julie is referring to some notes to find that exact split for you, which we will do. The vast majority of work that we deliver goes through a competitive tendering process, which is important to ensure we deliver value for money to the state. At the same time, very critical emergency works are currently being carried out by RoadTek, which is a wholly owned business unit of the department, and it is delivering work that would be unable to be delivered in the way that it has been so rapidly onsite. We absolutely maintain that capability for those emerging issues as they arise.

We do have various programs, and they are outlined in QTRIP. As Andrew pointed to, some of those are delivered directly by local government through the form of grants as well as maintenance contracts. I do not have the actual split in front of me, and I can see that Julie has not found the page yet but she is looking. We would love to give you that, if we can, during the committee.

Ms Mitchell: I can tell you, from memory—it is not accurate—it is about \$1.4 billion for private, about \$700 million for RoadTek and about \$500 million for local government. The mix is something like 500, 700 and 1.4. We do have how it is broken up through small and medium enterprise and things like that: small and medium enterprise is \$46 million; and spend on local suppliers—this is just on two projects down on the Pacific Motorway—is \$67 million. We are focusing on those two things and we are always incentivising within the procurement to get as much local spend as we possibly can and targeting small- and medium-sized business so everybody gets a little bit of a cut of QTRIP's enormous expenditure.

CHAIR: Do you know what your definition of 'local' is?

Ms Stannard: There is some guidance in the Queensland Procurement Policy that gives us that information. It is based on distance from the project site using radial circles. There are some criteria—I have in my mind 200 kilometres from the project site—so local to Brisbane would be within 200 kilometres of Brisbane. Then there are different criteria for using a Queensland business as distinct from using an Australian business, so there are weightings that apply through that Queensland Procurement Policy to guide our spend.

CHAIR: As I said at the outset of the committee hearings today, this is about us understanding the business and the portfolio areas that we have. Thank you very much for your answers.

Mr MELLISH: In relation to the Sunshine Coast direct rail project, has the department provided any advice or a submission to the 100-day Olympics review regarding that project generally?

Ms Stannard: I am going to ask Andrew Mahon to respond in a bit more detail. We have had ongoing engagement with the independent infrastructure committee for the games on their review. Obviously, they want to rely on the best information they can have available so they have asked us a number of questions about our transport modelling capability. We are very proud of that analytical capability to inform the demands that we are expecting.

For an event that is still many years away, where the tickets will be sold closer to the time and where the venues are still being determined, the best use of modelling is to give us some big-picture indications at this time so we can plan in advance for infrastructure that will take significant time to deliver. I will ask Andrew to talk a little bit more about our engagement.

Mr Mahon: We have provided a lot of information, obviously, to the 100-day review and the board of the games independent infrastructure authority and met with them regularly to answer their questions on all aspects of both transport and venue locations.

We have provided advice about the Sunshine Coast, of course—what is being delivered and options for things that could be delivered in addition to already funded projects—as part of that process and we will continue to do so. We are continuing to have meetings with them in relation to that. Obviously, the board are independent and they are asking us lots of questions about different venues, village locations and so forth. We are providing them with the best possible advice we can on all of the different options they might be looking at. Therefore, that will determine what the transport task is, depending on the location of venues and villages. If those locations change, stay the same or only some change, that will have an impact on the transport task. We are trying to give them the best possible advice so that they can provide recommendations that we can deliver.

Mr MELLISH: As far as the department knows, has the cost of that project dramatically changed since the business case was finalised for Sunshine Coast direct rail?

Ms Stannard: Obviously, project cost estimates are refined as projects progress. I cannot advise the committee of any significant changes at this time. Every time we find something more in our project—we are obviously onsite doing geotechnical investigations now and we are also working in close consultation with the Australian government on the environmental approvals required—we continue to refine those project estimates in the course of the delivery. We are in market engagement now for the Beerwah to Caloundra section of the rail corridor, and that market engagement has been very strong. That gives us feedback about what the likely cost to deliver will be, but I cannot advise the committee at this time of anything fundamentally different from the estimates we had at hand.

Mr KEMPTON: That is a good lead-in question. Talking about rail projects and recommendations to ministers for spending money—and I will take this up with the minister as well—in Cairns we do not have a bus going from Cairns to Babinda, for example. Years ago when I was growing up there used to be a rail motor, which was a great sight on the highway and it worked very well. That rail motor went up to the Tablelands as well. You talked about building six-carriage trains. Could you recommend looking at the reintroduction of the rail motor in North Queensland—a modern one, not a model T Ford. You might get more people getting on board. It could be great for tourism. It would open up more housing in the deep dark south. Do you have any thoughts on that?

Ms Stannard: I thank the member for the question about rail. From rail motors to heritage rail right through to the most modern rail, I am certainly someone who is passionate about that. You are right to say there are different roles for different levels of service. The rail motor was a particular class of vehicle. In the hinterland we do have some rail services and some very scenic ones in fact. Kuranda is beautiful and is a very significant attraction for the community. It also provides some really good movement when the Kuranda Range is cut. We have seen that used very recently.

Certainly we are looking at what the right mode is. Just as we talked about for freight having the right mode for the right load, we also need the right mode for the right task for customers. There are some parts of Queensland where rail, such as taking people out to Longreach and to some of the western parts of the community, really opens those areas up to visitors. It is something in which we are very pleased to be playing a part. There are other parts of the state where our regional aviation is also very important to unlocking connections to the regions. That is something else we continue to invest in.

The government has underway development of a tourism strategy at the moment. It is something that Transport will feed into to ensure that where there are opportunities to unlock access to the outback and to the regions we can do some supporting transport infrastructure because the ability to move around can change where tourists will go. Different kinds of tourists have different desires to move around the state. One thing I am keen on is when tourists visit Queensland they get to see the outback as well as the cities and the coast. I am really hoping we can play a part in that. We will continue to explore those modes.

Mr KEMPTON: I will help you do that. With Department of Transport and Main Roads being a concurrence agency with a lot of the MTO applications, are you looking into your processes and ways that we could speed up that response?

Mr Mahon: The short answer is absolutely. We are always looking at ways in which we can speed it up. Successive governments have wanted to look at how we can increase things like housing supply. How we can make sure that we are increasing opportunity and development where it is necessary. We will be continuously looking at how we can improve that process and working with the Department of State Development, Infrastructure and Planning around those processes and where we can help shorten those processes as best as possible.

Obviously one of the challenges in that space is always funding. If there is significant development—a housing development, for argument's sake, often requires public transport and road transport infrastructure to be delivered into those larger housing estates. That is a challenge for us that we always need to factor in and make sure that we are able to advise the government appropriately and get funding through budgets. That is something we will continue to work on in relation to things like the updating of our regional transport plans, as well as the day-to-day processes that you mentioned there in relation to concurrence agency assessment.

Mr KING: I want to talk a bit more about 50-cent fares. What a great innovation that is. Obviously there are more compliance checks to check that people are paying the fares as there are a lot more people paying fares. It is so much cheaper, so it makes sense that there are. Is there less fare avoidance? The data will help inform our future needs. Can you expand on that because I think the information we can get from this is pretty exciting.

Ms Stannard: I acknowledge that I am a data nerd at heart. With 50-cent fares it is tremendously important that people tap on and tap off. That data is how we plan services to where people are trying to get on and off, and it prevents overcrowding because it means we can see which services are utilised when and where. Most of my career has been about how we get enough public transport in the places where people need it.

We have certainly seen the uplift that I talked about. An 18 per cent increase is quite outstanding across the network. You will note that we have not seen significant crowding in the peak periods partly because people have also used the network in off-peak periods. In terms of the investment we make in having those services available, it is excellent to see increased usage of the services in those off-peak periods.

In terms of revenue protection, we are still out on the network. We have our network officers who do ticket checks. They are out there making sure that people understand how to use the ticket and what that means and that they are tapping on and tapping off. If there are any travelling public who are watching the committee, it is very important for us. It helps us plan services.

We have an annual count day where we go out and count how many people are on the network. We do not do that on every service. That would be a very significant undertaking, but there is a once-a-year period where we go and count manually compared to what the tap on and tap offs are. The reason we do that is to understand what level of fare evasion we are getting on the network.

We estimate that we are closing the gap from COVID. During COVID we saw significantly more fare evasion. We saw a lot of different forms of antisocial behaviour occur during COVID at a time when people were under significant pressure. I am not going to pretend I am a psychologist to know why, but we certainly saw it playing out on the public transport network. I hope when we do that annual survey we get a sense that we are closing the gap. It is very normal in global terms to have some level of fare evasion on the network, but we will continue to focus on making sure we are doing enough ticket checks to keep that at a reasonable level and to ensure that people are paying their fare mostly because we desperately want that data to understand how to best provide a service for the community.

With the permission of the chair, when you have a moment we have a couple of items to update you on that you asked.

CHAIR: Perfect. That is a great opportunity for you to provide those additional answers.

Ms Stannard: I have some super helpers here. I can confirm that the Queensland Procurement Policy definition for 'local supplier' is a supplier of goods and/or services that maintains a workforce whose usual place of residency is located within 125 kilometres of where the goods and/or services are to be supplied. You can imagine in Queensland there are parts of the state where that does not encompass many businesses, so it gives us an opportunity to focus on those local businesses.

In terms of the road maintenance performance contracts, so those RMPCs, we have 53 of those contracts across the state as at 1 July 2024.

In addition, I am lucky enough to be assisted by the magnificent Julie, who tells me that the annual spend for TMR for 2023-24 was \$6.64 billion. Our project delivery organisation spent \$4.95 billion—75 per cent of that spend. They awarded 1,409 contracts totalling \$2.627 billion. The distribution of that was as follows: 17 per cent was to local government authorities—\$448 million; 28 per cent of that was to RoadTek supplying construction services for us—\$745 million; and other, including to the open market, was over half of that spend—\$1.436 billion for 2023-24.

CHAIR: Thank you very much for that. Thank you very much for your time. The time for this briefing has now concluded. I really appreciate your thoughtfulness and you answering all of the questions. I hope you have a great afternoon. These proceedings are now adjourned.

The committee adjourned at 12.23 pm.