TRANSPORT AND RESOURCES COMMITTEE

Members present:
Mr SR King MP—Chair
Mr JR Martin MP
Mr LL Millar MP
Mr LA Walker MP
Mr TJ Watts MP

Staff present:
Ms D Jeffrey—Committee Secretary
Mr Z Dadic—Assistant Committee Secretary

PUBLIC BRIEFING—INQUIRY INTO THE PENINSULA DEVELOPMENTAL ROAD (LAURA TO WEIPA) PROJECT

TRANSCRIPT OF PROCEEDINGS

MONDAY, 28 MARCH 2022

Brisbane

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The committee met at 9.32 am.

CHAIR: Good morning. I declare this public briefing for the committee's inquiry into the Peninsula Developmental Road (Laura to Weipa) Project open. My name is Shane King, member for Kurwongbah and chair of the committee. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people, whose lands, winds and waters we all share. With me here today are Lachlan Millar MP, member for Gregory and deputy chair; Les Walker MP, member for Mundingburra; James Martin MP, member for Stretton; and Trevor Watts MP, member for Toowoomba North. The member for Callide is an apology for today's briefing.

This briefing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence. You previously have been provided with a copy of instructions to witnesses, so we will take those as read. I also remind members of the public that they may be excluded from the briefing at the discretion of the committee.

These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed during the proceedings, and images may also appear on the parliament's website or social media pages. I ask everyone present to please turn their mobile phones off or to silent mode.

SCALES, Mr Neil, Director-General, Department of Transport and Main Roads

CHAIR: I welcome the Director-General of the Department of Transport and Main Roads. You have been invited to brief the committee on the project. Director-General, I ask you to make a short opening statement, after which we will have some questions for you.

Mr Scales: Thank you, Chair. Firstly, I would also like to acknowledge the traditional owners of the land upon which we are gathering today and pay my respects to elders past, present and emerging. With that, I now provide a brief statement on the Peninsula Developmental Road.

Cape York is categorised by vast distances, small townships and limited development. The region's population is centred around Weipa, Cooktown and Bamaga, with a significant number of smaller, very remote Indigenous communities. The Peninsula Developmental Road is a primary land access road for nearly all of those communities and a lifeline for people who live there.

Prior to the inception of the Cape York plan in 2014, of the 527 kilometres of the road about 391 kilometres, or about 75 per cent, were not sealed. The road is subject to flooding. It is the wet season now and it is blocked already. There are safety issues and slow travel times for the unsealed sections due to localised design issues like creek crossings, roughness, rotting, corrugation and the surface quickly deteriorates the bulldust.

Just to give the committee an idea, when we resurface a kilometre of road it takes between two and five megalitres of water. We also need good gravel and obviously bitumen. Over the five years from 2014-15 to 2018-19, the $276 million Cape York Regional Plan sealed about 173 kilometres of the PDR between Laura and the Rio Tinto mine boundary. The Rio Tinto mine boundary is 42 kilometres from Weipa. That left 218 kilometres or thereabouts, about 41 per cent, unsealed. We have gone from 75 per cent unsealed to 41 per cent unsealed at the end of this program.

Cape York Regional Plan Stage 2 commenced in 2019. We will seal at the end of that a further 54 kilometres of the PDR which will leave 164 kilometres left, or 31 per cent. One of the major constructions this time is a high-level bridge over the Archer River crossing. Normally the Archer River will flood about 88 days a year. Once we have this bridge in place, it will bring flooding down to about two days a year. That will leave us about 164 kilometres to do.

We have been working really hard on this. We have an ILUA, an Indigenous agreement, in place for the whole of the Cape York on the PDR which has been very difficult to do but very worthwhile. That gives us access to the traditional owners and also allows us to continue our work without really many issues. It is a really significant development. That was established in 2017 with the Cape York Land Council. They are our partners on that; they help us with all of the traditional owners.

We introduced on the first stage of the program three key result areas, or KRAs. The first one is Indigenous and non-Indigenous training and upskilling, and that is a target of hours. KRA2—key result area 2—is implementation of an Indigenous economic opportunities plan which has Indigenous business engagement, and KRA3 is local industry participation. It is probably apocryphal, Chair and colleagues, but what used to be said was that for every dollar that was spent on the cape—that was before we put this program in—80 cents would go out to businesses in Cairns or Brisbane and only 20 cents would go to the Indigenous people of Cape York. We have managed to flip that around.

As I said before we kicked off, I have large-scale maps which I would like to table of the PDR and Sumners Road Interchange. Rather than you using the small maps you have in your committee briefs, I thought to bring large maps which now become the property of the committee.

CHAIR: Thank you. I seek leave that they be tabled. Leave is granted.

Mr Scales: That was my opening statement. What I try to do once a year is fly to Cairns on a Friday night and then on Saturday fly to Weipa, take a couple of cars up and then drive all the way down the PDR and return here on Sunday night. I usually stay at either Archer River Roadhouse or Coen roadhouse. I have been doing that for the last eight years now, so I actually have boots on the ground. It is great to see what has happened because where we seal the road, the bush either side, instead of being all this red dust, is actually green. You can see a difference. You can see a lot of good activity there. Once you have sealed the road as well, you automatically make the traversing of the road a lot easier so that the resulting maintenance costs for the vehicles that are up and down that road are reduced. For the committee's benefit, the annual average daily traffic is something less than 150 on both sections of the road. It is very low usage but very important usage because there is about 18,000 people on the cape.

CHAIR: The road is not cut at the moment, is it? I was shuffling papers and I thought I heard—

Mr Scales: It is wet.

CHAIR: Sorry. Yes, that was my mistake.

Mr Scales: It cuts every year. That is one of the challenges on this particular road: they can only work on it six months of the year, in the dry season. As I say, we need two to five megalitres per kilometre. RoadTek, which is our engineering arm, will dig dams. In the wet season the dams will fill up and then we leave those behind for graziers.

Mr MILLAR: Thank you, Neil, for coming to our committee. You mentioned it is a low-usage road. We have a tourism season where plenty of people would probably use it. What is its main purpose? Is it industry? Is it people getting to Weipa? What is its main purpose?

Mr Scales: Its main purpose is connecting up the various communities. Although the spine is the Peninsula Developmental Road, which you will see from the map, there are lots of tributary roads, which are not controlled by the department, which go to places like Lockhart River and Bamaga. Its main purpose is keeping everything connected.

If we take Coen, for example, the pub there has huge freezers and they keep everything stored for the wet season. They rely on the airport and also the road when it is opened. It is mainly for the locals, but we are seeing much more tourism now as we have progressively sealed the road over the last eight years. It is a marvellous place to be, so I think once we have all things sealed up that will do really well.

At Piccaninny Ridge, which is north of Coen, we have put in a lookout with some Indigenous interpretation panels. You can see for about 20 kilometres from that point. All of the bins that are there are cleaned up by the locals. In Coen, for example, we have been working with Kalan Enterprises, one of the local Indigenous organisations there, to maintain the road once we have put it up. It is not just a seal and forget; it is a seal and then they maintain it in the future, so we are giving the local owners a bit of economic activity as well.

Mr MILLAR: How much is left to be sealed?

Mr Scales: By the time we finish this program we will have 164 kilometres left, which is about 31 per cent. I started off eight years ago with 75 per cent unsealed and now we are 31 per cent unsealed. That does not seem like a great increase, but it is because they can only work on the road

six months a year and you have to find good gravel and you have to make sure all of the cultural heritage requirements are met in a proper manner. We will get there eventually. We have done all the easy bits now. If you take the Archer River Bridge, it is something like $28 million as an investment.

Mr MILLAR: What is the cost per kilometre to seal?

Mr Scales: It is in our submission to the committee, so I can dig it out, but it depends. If it is just a straight piece of road, like the easy bits we did in the first part, and I can get good substrate, the cost per kilometre is less. However, around Duck Holes, for example, the road followed what I think was the original bullock path, so I had to straighten it out. If you have to straighten it out, you have to acquire the road then straighten it out and there is more engineering involved. Cost per kilometre is up and down depending on where it is. However, we have done all the straightforward bits. Now it is moving into a different area where we are going to put structures in.

I am pretty sure the costs are detailed in the submission to the committee—the costs per kilometre for various sections. It is on page 17 of our submission. You have each of the road sections laid out and a cost per kilometre. The cost per kilometre is between, say, $800,000 and, if you take Ten Mile Creek, $4.1 million—and the reason for that is that there are lots of really huge culverts in there. What I have done for the committee, because I was anticipating that question, is put it in because each section of the road is different. It is pretty virgin country up there.

Mr WATTS: I have two questions. One is about the level of long-term flood-proofing of this main artery. First you have to get it to a standard where it is all sealed. Secondly, what needs to happen to get it so that it is more resilient? The other part which is related to that is the ongoing maintenance. In terms of things you started eight years ago and/or part of the road that was already bitumen eight years ago—these are pretty harsh conditions for road—what does the maintenance look like? How often will it need to be refreshed, updated and kept stable to stop it deteriorating?

Mr Scales: Basically, we build it to one-in-100-year. All the culverts are massive and really well engineered. That is not to say we would not get an event that was bigger than one-in-100. This is all built to last, minimising the ongoing maintenance cost. I cannot give you an exact number on the ongoing maintenance cost, because we have not finished it yet. It depends where it is.

Mr WATTS: I guess it is not even the cost. In terms of the local workforce and the maintenance crew, what does that look like? What is the provisioning for that?

Mr Scales: Coen is a great example because it is about halfway up. Kalan Enterprises—we have been working with them for at least 10 years—are able to maintain their section of the road from Coen. They have a backhoe, a grader, access to water and access to gravel. It is pretty minimal at the moment, because once we put this sort of level of investment in you do not need to maintain it. There are, say, 1,500 vehicles a day. You have low vehicle usage, which contributes towards the maintenance cost.

On Piccaninny Ridge, it is the locals who maintain that. We are trying to put a bit of maintenance in there for emptying bins, making sure the structures are right and that sort of thing. It will build up. We obviously have RoadTek at the southern end, at Lakeland, so we can move up the cape as well. It will be pretty low maintenance for a long time, in my professional opinion. What will happen is that, as the deputy chair said, once you have more usage and it opens up more, we will see more maintenance.

Mr WATTS: You mentioned Archer River. I have not been up there. Am I hearing you right? You said that it has gone from being cut for around 88 days to two?

Mr Scales: It will go to two when I finish the bridge.

Mr WATTS: Are there any other pinch points?

Mr Scales: There are lots. I am not being difficult. It has been a staged strategy. We have done all the simple bits first, if you like. Now we are into structures. Some of the culverts we have had built are probably $2 million or $3 million. The culverts are, like, three metres high. That is to cater for the bad weather there. The Archer is quite low down. There is long slope down it to and a long slope up to it, so once it does cut it is very difficult to get across it. We will put a high-level bridge in and we will also make sure it goes in to the Archer River Roadhouse, because they are quite high up. They can actually look down to the river. Then we will put in a path down to the river and cast some concrete slabs so we can put in picnic areas as well. It goes from 88 to two. It is really worthwhile. The next one will be whatever the next creek crossing or river crossing is.

Mr WATTS: Ongoing, there will be this continual process of trying to get it down to as low a number as you can in terms of its ability to be traversed through the year?

Mr Scales: Yes. It will still get cut. We use a product called foam bitumen, which we have used on a number of projects. The reason we use that is that you can inundate it with water. In other words, you can put it underwater but when the water goes away the surface is still there. We are trying to build in resilience as well. I am really passionate about the Peninsula Developmental Road—that is why I keep on visiting it—because it will be a vital arterial route to not just the cape. Once the tributary routes are done to places like Lockhart River and Bamaga, that will be really useful. They are building their roads from the outside in, so eventually we will hopefully meet in the middle.

CHAIR: You have gone through this, but we just found that the average cost per kilometre is about $1½ million. I know that we have touched on this before, but how does that compare with costs in other areas of Queensland? I understand how isolated it is. Can you talk to that a bit more and the factors that you mentioned, getting the good substrate and so on? Can you talk about the difference between that area and other areas?

Mr Scales: The cost of resealing roads will depend on what is underneath it. Some 55 per cent of Queensland is on black soil. The problem with black soil is that if you put water on it it goes plastic and if you heat it up it cracks. If you take as a parallel the Mount Isa line, that is why we have problems with the Mount Isa line. When we get weather like we have today outside of this place, the track can actually move around a bit. It is the same for bitumen. It depends on whether we can get a really good rock surface, the costs of bitumen and if the road formation is already there or we have to make a road formation. I am loath to guess it—I will guess it—but it is probably $800,000 to $2½ million per kilometre, depending on where it is. It depends on so many different factors—geotechnical and if there are watercourses or any structures underneath.

The real issue is that $1½ million per kilometre for that is pretty good because it is going to last a long time. It is not like the M1, which has something like 165,000 vehicles a day on it; this has fewer than 150. It is going to last a long time. Fortunately, a lot of the cape is rock. For the Toowoomba Second Range Crossing we cut through a lot of rock, so that surface will stand up a lot better than if it was on black soil. It is very difficult to give you anything meaningful, I am sorry.

CHAIR: It was just more to the difference. You did explain more fulsomely before about even getting the materials there. It is not just down the road, like the M1.

Mr Scales: Just to build on that point, what we do find really effective is: in the dry season RoadTek will go and cut dams where we know we are going to put some resealing. Then we just leave the dams behind for the graziers. You can use two to five megalitres per kilometre. The other big issue is getting gravel and bitumen. Bitumen is becoming problematic, because the price of crude is about US$120 a barrel today. In May last year it was US$60 a barrel. The costs which are built into that go up as well.

CHAIR: I do understand black soil, coming from the electricity supply industry where it is hard to keep a pole upright.

Mr MARTIN: You mentioned before that by the end of this project you should have the percentage of unsealed road down to 31 per cent, or 164 kilometres. Could you expand a bit more on the plans moving on from 31 per cent? Are there big challenges ahead? You said you have left some of the most difficult jobs to last. What are the big challenges that you are facing? Do you have an idea of time and cost?

Mr Scales: Once this current program is finished, we are hopeful to work with our colleagues in the federal government to do another program. Basically, this has been one four-year program. It is 80-20 as well. The feds put 80 per cent in. Then we are into the second program. The third program will probably get us pretty near, but the third program probably has more structures in. I cannot put my finger on it at this point because we have not done the survey—we have not done the geotech—but one of the good things is that we have the Indigenous land use agreement in place with the Cape York council. It means that, whatever we do have to construct or the areas we do go through, the TOs are fully on board. Because we have these three key result areas, we have to demonstrate the number of hours from Indigenous folk who are actually up there working. We are doing a lot of cert IIIs, so we are leaving a lot of people with a certified qualification, and we are putting the money into the cape wherever we can.

It is a great question. It is just that I have not done the work yet. Say we start off with 75 per cent unsealed, we will chop it all the way through to where we are at the end of this program, to 31 per cent unsealed. By the time we get there, we will have developed the other program. It might be more expensive and it might be a bit more challenging because of the structures. The Archer River Bridge is $28 million but it is so effective because once we have it up and running the PDR, instead of being cut at that point for 88 days, will be cut for only two days. All I am doing is moving the problem further up the road. For the people who live there, it will be brilliant.

Mr MARTIN: Could you expand on that? You mentioned in your opening statement that you had been travelling the PDR for eight years. Have you seen benefits to local communities and businesses over time? What is the department seeing now?

Mr Scales: That is a great question. When we started on this journey, Kalan Enterprises was just looking at the environmental issues; now they have a road maintenance capability. If you look at Bama, based in Cairns, we started off with one culvert; now they are bidding for work on sealing as a primary contractor. We have taken them from just a one-culvert operation to bidding, in partnership with Downer, to actually seal major sections of the road.

There is another thing that we did. It is not related to this but it is relevant. It took me four years to seal the Peninsula Development Road, but we got Hope Vale council involved. Now Hope Vale council can actually bid for our work, after those four years. Two of the young fellows who work for Hope Vale—one has bought a grader and one has bought a roller—have their own businesses now. A second-hand grader will cost you probably $300,000. What we are seeing is a general uplift in capability. What we are seeing is a general increase in Indigenous partners.

One of the key things is that once you have sealed it there is less red dust around to get into vehicles, causing maintenance issues. You can see a distinct difference. I was blown away the first time. The cape is all bulldust. The whole of the bush either side is red dust. Once you have sealed it, it is green. It looks fantastic. There is an environmental benefit there as well. What we have seen, from a standing start to where we are now—and we have had the support of the federal government as well through all this—is that it actually has become a lot better from a locals' point of view.

CHAIR: Time is going to beat us. There are no questions on notice, but we do have a considerable number of questions. Would it be okay to send you some questions?

Mr Scales: Yes.

CHAIR: We are all looking forward to going and seeing the Peninsula Developmental Road.

Mr Scales: I recommend you do what I do: fly to Cairns and then from Cairns to Weipa. Then we will drive you down in some four-wheel drives. One of the determining steps—it goes to the member for Stretton's point—is that we can probably only deal with about $50 million a year anyway because there is water, gravel, bitumen and the weather up there is pretty fierce. That is where most of our tropical cyclones are as well.

CHAIR: We are heading up next week for a look. We are all excited about it. That concludes this briefing. Thank you for your participation. A transcript will be available on the committee's webpage in due course. I declare this public briefing closed.

The committee adjourned at 10.00 am.