

ESTIMATES COMMITTEE C

REPORT TO THE LEGISLATIVE ASSEMBLY OF QUEENSLAND

OCTOBER 1998

ESTIMATES COMMITTEE C

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1. INTRODUCTION

On 15 September 1998, the Legislative Assembly passed Sessional Orders governing the processes by which the Parliament would review the Government's budget estimates for 1998-99 contained in the *Appropriation (Parliament) Bill 1998* and the *Appropriation Bill 1998*. These orders appointed seven select committees with responsibility for scrutinising the estimates for particular ministerial portfolios. Estimates Committee C was allocated the budget estimates for the portfolios of:

- the Minister for Public Works and Housing; and
- the Minister for Transport and Minister for Main Roads.

The committee considered the estimates referred to it utilising the following information:

- Budget Papers Nos. 1,2 & 3 and Ministerial Portfolio Statements tabled by the Treasurer on 15 September 1998;
- evidence provided to the committee at its public hearing on 1 October 1998 by the Hon Robert Schwarten MLA, Minister for Public Works and Housing, Hon Steve Bredhauer MLA, Minister for Transport and Minister for Main Roads, and their advisors;
- written responses provided by the Minister for Public Works and Housing and the Minister for Transport and Minister for Main Roads to questions submitted by the committee prior to the hearing; and
- written responses provided by the Minister for Public Works and Housing to questions from the committee that he took on notice at the hearing.

The committee's questions on notice to ministers and minutes of the committee's private meetings are included in a volume of additional information presented by the committee to the House.

The committee met privately on 17 September, 1 October and 12 October, 1998. These meetings and the public hearing were attended by the full committee.

The committee draws the attention of the Legislative Assembly to the following matters which arose during its consideration of the budget estimates.

2. EXAMINATION OF THE PROPOSED EXPENDITURE

2.1 PUBLIC WORKS AND HOUSING PORTFOLIO

2.1.1 Department of Public Works

The core activities of the Department of Public Works involve providing policy advice to government regarding building asset management and procurement and providing services to government agencies. These services include fleet management, printing, warehousing and distribution, project management, property management and maintenance.

2.1.1.1 Budget overview

The 1998-99 Consolidated Fund budget for the department is \$297.9 million. This is an increase of \$46.6 million (18.5 percent) on the 1997-98 budget. This increase is primarily due to additional expenditure on the 75 William Street office development and an increase in new initiative funding.

The department's 1998-99 Trust and Special Funds budget is \$1.721 billion. This represents an increase of \$194.2 million (12.7 percent) on the 1997-98 budget, and is primarily due to an increase in client capital works.

2.1.1.2 Major funding initiatives

- redevelopment of the old Roma Street railway goods yard (\$10 million);
- commencement of Stage 2 of the Cairns Convention Centre (\$24 million);
- refurbishment of the former Rockhampton District and Magistrates Court buildings and the Government office building at 240 Quay Street and supporting infrastructure projects as part of the State government's contribution to the Rockhampton Smart City initiative (\$2 million);
- development of a state government office building in Hervey Bay (\$2.75 million);
- completion of the state government building at 75 William Street (\$33.3 million);
- refurbishment of the old Queensland Museum Building at Bowen Hills (\$1 million);
- commencement of accommodation projects to improve the space utilisation in government office buildings through the co-location of departments and replanning accommodation to achieve more effective layouts (\$2 million);
- continuing installation of backflow prevention devices within government buildings (\$1.5 million).

The following sections discuss some of the major expenditure items in the budget.

2.1.1.3 Cairns Convention Centre

\$28.5 million has been allocated in the 1998-99 budget for Stage 2 of the Cairns Convention Centre. The previous budget allocation was \$21 million. The minister advised the committee that he believed the original allocation was insufficient as it would provide for only 5000 plastic seats, bare concrete floors and no air-conditioning. The increased allocation allows for 5800 upholstered seats, acoustic treatment to contain noise, air-conditioning and essential hydraulics, power, lighting, audiovisual equipment and food and beverage facilities for the centre.

2.1.1.4 Rockhampton Smart City Initiative

\$2 million has been allocated to the Rockhampton Smart City Initiative. The minister advised that this initiative arose out of a proposal from the university to relocate part of its campus to the Rockhampton central business district. Several buildings such as the former district and magistrates court buildings will be refurbished, and this will be a key job creation initiative for Rockhampton.

2.1.1.5 Government employee housing

The department has upgraded security, storage and climate control in government employee housing. The next phase will focus on upgrades to kitchens and bathrooms. Approximately 300 more houses will be upgraded in 1998 and 24 new dwellings will be built in the 1998-99 financial year. \$9 million has been allocated to these initiatives.

2.1.1.6 Accommodation for Office of State Revenue and Department of Natural Resources

The Ministerial Portfolio Statement indicates an increase in net building outgoing costs of \$6.2 million. This is primarily because of leased accommodation costs for the Office of State Revenue and the Department of Natural Resources. These organisations were housed in a building at Anzac Square. The Government has sold the building for residential development.

2.1.1.7 Built Environment Research Unit (BERU)

The budget provides an additional \$700,000 for the department's BERU. This unit researches energy-efficient building materials and pollution issues regarding housing situated near freeways.

2.1.1.8 Expansion of Q-Fleet

The minister advised the committee that Q-Fleet will expand in 1998-99 into non-motor vehicle assets such as plant and materials handling equipment and information technology equipment. The department is currently negotiating with Queensland Treasury Corporation to become its assets manager.

The minister also advised the committee that the Government cancelled plans by the previous government to re-finance the Q-Fleet car fleet with the Macquarie Bank. He advised that the Government is opposed to the sale of Q-Fleet to private interests.

2.1.1.9 Q-Build - apprentices and trainees

The committee sought further information regarding a reference in the Ministerial Portfolio Statement at page 1-25 to expanded employment opportunities for building trade apprentices and trainees. Q-Build will provide places for 140 new apprentices in 1999, 50 more than the previous allocation. The department will also retain another 40 trades people who will complete their apprenticeships with the department next year. The department will also engage 30 administrative trainees and a further six graduates.

2.1.1.10 Professional fees paid to Project Services

The Ministerial Portfolio Statement at page 1-12 refers to a \$59.6 million reduction in professional fees paid to Project Services.

The committee was advised that this was strictly an accounting treatment. The money would have gone to Project Services through trust accounts from the client to a building trust account. Under new financial arrangements, clients can now pay Project Services directly. The committee questioned the minister about the wording at page 1-12 as it implies that Project Services is getting less money. The minister agreed that the text of the Ministerial Portfolio Statement indicates there is a reduction and that this needs to be amended or clarified. The minister provided the committee with a further written clarification after the hearing.

2.1.1.11 De-amalgamation costs for the Departments of Public Works and Housing

The committee asked the minister in its advance questions on notice whether additional corporate costs were incurred in establishing the Department of Housing following the split from the Department of Public Works. It also sought further clarification from the minister at the hearing.

The minister advised that new positions for the Director-General of the Department of Housing and support staff were created in the process of establishing separate departments. There were also some minor costs associated with stationery and office accommodation. These costs were absorbed within the department's budget. The cost of corporate services for both departments is not expected to increase because of the split.

2.1.1.12 Year 2000 - Millennium Bug

In its advance questions on notice, the committee asked the minister whether provision had been made in the budget to finance any necessary work regarding the

Year 2000 - Millennium Bug. The department has a number of strategies in place to manage the computer problems posed by the bug.

A project team has examined the department's existing systems. It found that the department's major systems are being upgraded and replaced by the new SAP financial system and the MINCOM MIMS maintenance system for Q-Build, and will not experience problems. The department's suppliers are providing guarantees that their packages and software are Year 2000 compliant. The department's testing and rectification for in-house applications, packaged software and hardware will be funded by business units and program areas from their existing budgets.

The minister advised that a second project team is dealing with the building control systems for all buildings occupied by the Government. These systems include air-conditioning, security, building management systems, lighting and audio-visual systems. Hospitals and venues such as the Brisbane Convention Centre are of concern, but the minister advised that the department is confident of having problems resolved prior to 2000. \$100,000 has been allocated for the project management and audit/investigation phase, and a further \$250,000 is provided in the budget for rectification works.

The committee asked whether more funds should be provided in the budget to correct the problem. The department's Acting-Director-General, Mr Mal Grierson, advised the committee that there should be a greater allocation.

2.1.2 Department of Housing

The Department of Housing provides housing assistance to people in need. Core activities for the department include providing public rental and Aboriginal rental housing for people in need and assisting low income households to access the private rental market and home ownership. The department also provides funds to local government, Aboriginal and Torres Strait Islander community councils, and community-based organisations for the acquisition, lease, or construction of housing; and to address the causes of housing need in the community.

The budget allocates \$196.2 million in 1998-99 to the department for the provision, improvement and maintenance of public rental housing. \$77.5 million is allocated for Aboriginal and Torres Strait Islander Housing. \$62.4 million is allocated to community organisations and local authorities to provide housing assistance to low to moderate income households.

New initiative funding is provided for the Community Renewal Program to rejuvenate older housing estates in areas of social and economic disadvantage. Funding is also allocated to develop adaptable housing solutions for senior citizens through a competition run in conjunction with peak industry associations.

2.1.2.1 Budget overview

The department's Consolidated Fund budget is \$228.1 million in 1998-99. This is an increase of \$11.9 million or 5.5 percent on the 1997-98 budget. This increase is

primarily because of the increased funding provided for the Community Renewal Program. The department has an overall Trust Fund budget of \$744.1 million. After inter-fund transfers, this budget amounts to \$588.6 million in 1998-99. The total budget for 1998-99 is \$972.2 million.

2.1.2.2 Capital works

- \$195.2 million is allocated for housing in the 1998-99 budget. This amount includes \$139.6 million for public housing and \$19.2 million for the construction and acquisition of dwellings for Community Housing and Crisis Accommodation projects.
- The Aboriginal and Torres Strait Islander Housing Program will spend \$26.1 million on construction of new dwellings, the purchase of land and upgrades of existing houses throughout Queensland during 1998-99. Most of this expenditure will be in rural and remote areas.

The following sections discuss some of the major expenditure items in the budget.

2.1.2.3 Youth Housing Initiative

The 1998-99 Community Housing budget includes \$3.5 million under the Long-Term Community Housing Program for a youth housing initiative. The department received fifty-four submissions with ideas for youth housing under the program. These submissions are currently being prioritised by the department as the total funding requested is approximately \$25 million.

2.1.2.4 Crisis accommodation

\$16.5 million has been allocated in the 1998-99 budget for the program. Approximately 16,500 households are turned away from emergency accommodation services each year. The main program of the department addressing this issue is the Crisis Accommodation Program. It provides funds to community organisations to purchase, construct, upgrade or lease housing for homeless people and people in crisis. The program is jointly funded by the Commonwealth and the states.

2.1.2.5 Aboriginal and Torres Strait Islander Housing Program

The department has expanded its apprenticeship scheme under its Aboriginal and Torres Strait Islander Housing Program with a planned intake of five indigenous women per annum for the next three years commencing in the 1998-99 financial year. The department will have access to additional funds for apprentices through the Government's Jobs Policy Council. These funds were announced after the development of the Ministerial Portfolio Statement. The actual additional funding required for the employment of the 5 indigenous women is \$420,000 for the 1998-99 financial year and \$700,000 per year for the following two years.

The department is continuing its Northern Peninsula Area Demonstration Project in 1998-99. This project was developed because of poor outcomes in indigenous communities. The project is designed to ensure that development takes account of

hardware related to health by ensuring there are appropriate showers and toilet systems in dwellings.

2.1.2.6 Home Assist/Secure Program

\$7.7 million has been allocated to the Home Assist/Secure Program to provide assistance to approximately 31,500 households. The minister advised that this is an increase of \$1.9 million and will allow state-wide coverage by the program.

2.1.2.7 Long-Term Community Housing Program

486 long term community housing units were commenced in the 1997-98 financial year and are scheduled for completion in 1998-99. Of the 63 commencements for 1998-99, 37 acquisition projects were carried over from round 4 of the rural and regional program from 1997. Rural and regional areas are the primary targets of the Long-Term Community Housing Program. The department also expects to approve a further 27 property acquisitions using surplus funds written back from completed projects during 1998-99.

2.1.2.8 Boarding House accommodation

In 1997-98 funds of \$7.9 million were spent on the commencement of 232 units of boarding house accommodation which are regarded as dwelling units under the Long-Term Community Housing Program in the 1997-98 year. In 1997-98 the department completed: nine units at Water Street, Spring Hill; 13 units at Doggett Street, New Farm; 39 units in Martin Street, Fortitude Valley; and 18 units at Miami. Of the 232 units commenced, 79 were completed and 153 are presently under construction. 100 units are to be commenced in 1998-99. \$8.1 million has been allocated to the commencement of construction of these units. 253 units are anticipated to be completed in the 1998-99 financial year.

2.1.2.9 Community Renewal Program

An additional \$7.5 million has been allocated in the 1998-99 budget for the Community Renewal Program. This program focuses mainly on regenerating older public housing estates. A further \$15 million will be allocated over the following three years. The philosophy behind the program is that the behaviour of residents will improve if the standard of accommodation and basic amenity of an area is improved. The minister told the committee that the Riverview experiment showed that community renewal can lead to a decrease in crime by up to 60 percent and reductions in other social problems.

The Ministerial Portfolio Statement at page 2-38 refers to an increase in fixed capital expenditure to provide priority for medium density housing and disability solutions not available through purchase. This includes \$7.5 million for the Community Renewal Program of which an administrative component still has to be identified.

2.1.2.10 Staffing

Salary, wages and related payments decreased from \$42.1 million in 1997-98 to an estimated \$40.6 million in 1998-99, while staff numbers increased from 933 in 1997-98 to 934 in 1998-99. The 1997-98 actual of \$42.1 million includes approximately \$1.6 million in contractor costs. This was budgeted for under non-labour operating costs because of the SAP financial system. For 1998-99 the contractor cost budget and actual expenditure will be recorded under non-labour operating costs. The department's budget for salaries, wages and related payments has not changed from the previous Ministerial Portfolio Statement published in May 1998.

2.1.2.11 Year 2000 - Millennium Bug

The committee was told that the department has allocated significant resources to ensure all its existing information systems are reviewed. A senior level steering committee meets with the Department of Public Works regularly to ensure recommendations of the audit of all information systems within the department are being followed through. The department is introducing a new system which will be year 2000 compliant. Acting Director-General, Ms Linda Apelt, advised the committee that sufficient funds have been allocated in the budget at this stage, and that this will continue to be monitored.

2.2 TRANSPORT AND MAIN ROADS PORTFOLIO

2.2.1 Department of Main Roads

2.2.1.1 Overview

The role of the Department of Main Roads is to plan, deliver and manage a road system that affords safe road travel for all road users, improves the livability of communities, supports cost-effective economic development, reduces transport costs and promotes environmentally sustainable transport solutions.

The proposed 1998-99 budget for the Department of Main Roads is \$1,158.591 million. This is the total budget for the department and covers capital works, corporate services support, interest and redemption payments and other miscellaneous activities. The 1998-99 budget represents a decrease of \$33.9 million or 2.8 percent over the 1997-98 budget for the department. According to the budget papers, this decrease is due to \$128 million in borrowings made for a payment in relation to the Sunshine Motorway Company included in the 1997-98 figures, which is partially offset by an increase in funding in 1998-99 for the Pacific Motorway of \$68 million (including carry-overs) and new initiative funding of \$32 million.

2.2.1.2 Capital Expenditure budget

The total capital works budget for the department according to the Budget Overview (Budget Paper No. 2) is \$1,029 million. For this exercise, maintenance of roads is treated as a capital works function. Major components of the capital expenditure budget are:

Item	\$m
• National Highways - Construction, Maintenance, Planning and Administration	149.4
• Other State-Controlled Roads - Construction, Maintenance, Planning and Administration	534.1
• Grants to Local Government under the Transport Infrastructure Development Scheme	56.2
• Federal Black Spot Program (including \$5.4m in subsidies for safety improvements on the local government controlled road network)	10.1
• Other Road Programs - Including Natural Disaster Relief and Motorway Land Acquisition	54.1
• Pacific Motorway - Construction, Maintenance, Planning and Administration	225.1
Total	1029.0

Budget Paper No.3 provides a detailed capital works perspective and quotes a different total for capital works of \$1,039.8 million. This figure is the total as per Budget Paper No.2 (\$1,029 million) less capital grants under the Transport Infrastructure Development Scheme (\$56.2 million) and subsidies for safety improvements on the local government controlled network paid under the Federal Black Spot Program (\$5.4 million) plus capital works to be carried out by tollway companies (\$52.3 million), the building program (\$11.3 million) and plant and equipment (\$8.8 million). The minister informed the committee that the different figures do not reflect any change in accounting practices but arise from different perspectives of funding allocations.

The minister also told the committee that the Government's record expenditure on the roads program of more than \$1 billion should provide more than 17,000 direct and indirect jobs in the road industry, and was a key plank of its commitment to job creation and regional economic development.

The following sections discuss some of the major expenditure items in the budget.

2.2.1.3 Upgrade of the Pacific Motorway

The budget provides \$225.1 million to fund the continuation of the Pacific Motorway upgrade during 1998-99. This project involves widening the motorway to eight lanes

between the Logan Motorway and Smith Street Motorway exits and six lanes between the Smith Street Motorway and Pappas Way exits. According to the budget papers the total estimated cost of the upgrade is \$750 million.

During 1998-99 the project will be progressed to approximately two-thirds completion. A further \$120 million will be allocated in 1999-2000 to complete the upgrade. The motorway is due to be reopened to traffic in March 2000.

2.2.1.4 Upgrade of the Logan Motorway

The budget provides \$73.8 million to upgrade the Logan Motorway toll road. The work should be completed to coincide with the opening of the Pacific Motorway. The work was approved by the previous government and will include: duplication of the remaining two-lane eastern section of the motorway; construction of the interchange between the Logan and Pacific Motorways; and the finalisation of the Southern Brisbane Bypass, primarily for land resumption settlements.

The minister told the committee that about 700 jobs will potentially be created through this project.

2.2.1.5 Increased funding for regional roads projects

The minister advised the committee that the budget provides increased funding for all regional roads programs. Excluding federally-funded national highways, comparative cash allocations for state-funded works or other state-controlled roads in the Transport Infrastructure Development Scheme grants by region have increased by a total of \$48.79 million as follows:

- **South-east Region** \$7.74 million (excluding the Pacific Motorway);
- **Southern Region** \$25.88 million (includes a one-off payment of \$19 million for roads improvement projects in the South Burnett Region and additional funding of \$2.2 million to upgrade the road between Bundeena and Eromanga which were approved by the previous government);
- **Central Region** \$10.04 million; and
- **Northern Region** \$5.13 million.

The minister further advised that his department would shortly release the Government's 1998-99 to 2002-03 Roads Implementation Program which will outline regional roads programs in detail.

2.2.1.6 Miscellaneous Transport Infrastructure projects

The Government has committed \$14.5 million over four years for miscellaneous transport infrastructure projects such as bikeways, road safety initiatives and minor road upgrades. The works will focus on expanding bikeway networks in South-East Queensland and provincial cities such as Cairns and Townsville. The minister told the committee that the Government's 1998-99 to 2002-03 Roads implementation Plan will provide details of \$10 million of bikeway projects across the state during 1998-99 and 1999-2000.

2.2.1.7 Rural and Regional Roads Improvement Program

The budget introduces a new recurrent roads program, the *Rural and Regional Roads Improvement Program*, to accelerate road works across the State. The purpose of the program is to support rural and regional development and population and industry growth. The budget papers state that the Government will commit \$30 million to the program annually.

2.2.2 Queensland Transport

The role of Queensland Transport is to plan, co-ordinate and facilitate the provision of transport services and non-roads transport infrastructure.

2.2.2.1 Budget Overview

The proposed 1998-99 budget for Queensland Transport is \$1,217 million, an increase of \$173 million or 16.6 percent on the 1997-98 budget. This increase is largely due to additional expenditure (\$134 million) on the South East Transit Project.

A range of capital works projects are funded in the budget including:

\$732 million for rail infrastructure throughout the State, including:

- \$104 million for the acquisition of new coal wagons to be built in the Brisbane and Townsville regions;
- \$90 million on major track upgrades in Central and North Queensland in support of coal and mineral traffic;
- \$75 million towards the manufacture of 30 three-car electric rolling stock in Maryborough;
- \$36 million to provide additional capacity on the Mayne-Caboolture-Landsborough corridor, to cater for additional services and more peak hour express services;
- \$20 million for the acquisition of 38 new diesel-electric locomotives being assembled in Maryborough;

-
- \$28 million on the overhaul and upgrade of diesel electric locomotives at Redbank Workshop Centre;
 - \$21 million for major coal wagon upgrades to be undertaken at the Rockhampton rail workshops and on various infrastructure modifications;
 - \$16 million for the construction of a rail spur line into the new zinc refinery near Townsville;
 - \$14 million for the building of a new diesel locomotive servicing facility at Redbank and the completion of the wagon maintenance depot in Toowoomba;
 - \$13.5 million for the completion of the Brisbane to Rockhampton tilt-train project;
 - \$122 million (total project cost) for construction of rolling stock and introduction of tilt train services from Brisbane to Cairns, including \$1 million estimated for 1998-99;
 - \$167 million, through the South East Transit Project, to upgrade the South East Freeway to include a busway and transit lanes;
 - \$23 million program for infrastructure development to support commercial and recreational boating in the State;
 - \$4.8 million to complete the impact assessment study, design work and property acquisitions for the Inner Northern Busway and to commence planning for other busways;
 - \$11.9 million for public transport improvements on roadside infrastructure projects, intermodal interchanges, and upgrading rail park-and-ride facilities;
 - construction of a customer service centre at Emerald, to accommodate the state-wide call centre, that will continue at a cost of \$1.9 million in 1998-99;
 - \$49.5 million is allocated by the Port of Brisbane Corporation for the continuing development of the Port of Brisbane;
 - \$52.3 million allocated by the Gladstone Port Authority towards the ongoing expansion of the Port;
 - \$33.1 million for improvements by the Townsville Port Authority;
 - \$28.7 million for the development and continued upgrading of port infrastructure by the Mackay Port Authority; and
 - \$22 million to the continuing expansion of the Dalrymple Bay Coal Terminal at Hay Point.

2.2.2.2 On-going Community Service Obligation (CSO) payments to Queensland Rail

The budget for 1998-99 provides \$526.2 million for CSO payments to Queensland Rail, \$12.2 million (2 percent) less than 1997-98 CSO payments. The reduction is due largely to the reducing freight operating subsidy, and is partially offset by additional funding in 1998-99 for Queensland Rail for initiatives such as the diesel tilt- train project, new Citytrain rolling stock and the Safe Station Program.

The budget papers state that the change to CSO funding is related to how the services are funded rather than a change in service level. The minister advised the committee that Queensland Transport is working towards implementing rail service contracts for the purchase of rail transport services and infrastructure. He also advised that this alternative funding approach will not lead to increased costs to consumers.

2.2.2.3 Busways

The 1998-99 budget provides funds for a number of busway projects in the Brisbane area during 1998-99.

The South East Transit Project involves upgrading the South East freeway to include a busway and transit lanes between Brisbane City and the Logan Motorway. The total value of the project is \$520 million. The 1998-99 budget provides \$167 million for detailed design work, commencement of major construction works and finalisation of property acquisitions for the project.

The budget papers indicate that the government will allocate a further \$120 million over six years to 2003-04 for the construction of a dedicated busway network for Brisbane. The 1998-99 budget provides \$4.8 million to complete the impact assessment study, design work and property acquisitions for the Inner Northern Busway and commence planning for the Northern and other busways.

2.2.2.4 Tilt-trains

\$13.5 million is provided in the budget to complete the Brisbane to Rockhampton electric tilt-train project. The total budget for the project is now \$108.8 million. Daily tilt-train services between Brisbane and Rockhampton are due to commence in November 1998. The budget papers also indicate that the Government will commit \$122.3 million over four years to acquire two 10-car diesel-powered tilt-trains to carry passengers between Brisbane and Cairns commencing in late 2001.

The committee questioned the minister about the contract between Queensland Rail and Walkers Limited of Maryborough regarding the project and the public tendering processes that were followed. The minister advised that the contract only covers the initial train concept design stage. This stage will address:

- the development of a performance specification for the trains;
- train technology issues such as traction options;

- a target price for detailed design, construction, commissioning and warranty; and
- proposed contractual arrangements for future procurement stages of the project.

The targeted completion date for stage 1 is March 1999.

The minister advised that the contract was let to Walkers without a public, tendering process. This, he advised, was because of: Walkers' previous experience with tilt-train technology; the developmental nature of the trains' design and construction; the known availability of tilt-train technology in Australia; the strong desire to maximise employment in regional Queensland; and overall risk issues for Queensland Rail and potential train suppliers.

2.2.2.5 Citytrain Safe Station Program

\$35 million is allocated over four years for the Safe Station Program to improve the safety and security of passengers and staff. This program replaces the existing \$17 million Trainsafe program. Safety measures in the Safe Station Program include: closed-circuit television coverage at stations and on electric trains; improved lighting at stations, car parks and approach pathways; locked station carparks; increased security patrols; and extended manning hours at core stations.

2.2.2.6 Integrated Ticketing Project

\$4 million is allocated in the 1998-99 budget for the development of integrated ticketing and real time information systems for Brisbane's public transport system. This includes \$0.5 million for capital expenditure. Stage 1 introduces the 'South East Explorer', a single ticket fare covering Queensland Rail, Brisbane Transport, Surfside, Sunshine Coast Sunbus and Hornibrook bus lines. The ticket will entitle holders to travel on any of the rail, bus and ferry services provided by these operators without the need to purchase further tickets.

2.2.2.7 Integrated Regional Transport Plans

The budget provides \$0.72 million during 1998-99 for the development of long-term transport plans for regions across the State as follows:

- \$114,000 for the Wide Bay Integrated Transport Plan;
- \$114,000 for the Eastern Downs Integrated Transport Strategy;
- \$109,000 for the Mackay Area Integrated Transport Strategy;
- \$64,000 for the Gladstone Integrated Regional Transport Plan;
- \$15,000 for the Townsville Economic Gateway Strategy;
- \$45,000 for the Townsville/Thuringowa Integrated Regional Transport Plan;
- \$10,000 for the North Western Gulf Savanna Transport Study;
- \$128,000 for the Southern Cairns Integrated Land Use and Transport Study; and

- \$121,000 for the Kuranda Range Integrated Transport Study.

2.2.2.8 Costs from the removal of the toll on the Sunshine Motorway

In response to a question from the committee, the minister provided a detailed account of the costs to Queensland taxpayers as a result of the removal of the toll on the Sunshine Motorway by the previous government on 8 March, 1996. The minister advised that the total cost to the State in 1998 dollar terms is nearly \$450 million. This amount includes:

- \$12.24 million in annual interest and redemption payments until 2018 by the Department of Main Roads on \$135.53 million borrowed by the department to fund a compensation package for the Sunshine Motorway Company Limited, the operator of the motorway;
- \$52.25 million in interest-free loans to the Sunshine Motorway Company Limited that the department was forced to write off;
- a future profit stream of \$109 million in dividends that would have been available to the Department of Main Roads following repayment of the debt; and
- \$42 million in maintenance costs that were the responsibility of the motorway company and will now be incurred by the department over the next twenty years;

The minister also advised that the Government has no intention to reintroduce tolls on the motorway.

2.2.2.9 Revenue from Speed Cameras

The committee asked the minister whether fines revenue generated by the department's speed camera program had affected its budget allocation from Treasury. The minister advised that revenue derived from speed camera infringement notices during 1997-98 amounted to \$14.1 million. This was well below the figure of \$38.35 million expected for the year. This figure comprised expected revenue of \$30.6 million for stage 1 of the program with 14 cameras and \$7.7 million for a proposed expansion of the program that did not proceed.

The minister cited a number of factors that contributed to the lower than anticipated fines revenue from the cameras. These include:

- highly visible, deterrent-based deployment of the cameras combined with extensive public education to deter speeding;
- better than expected compliance by motorists with speed limits since the cameras were introduced; and
- the late delivery of equipment by suppliers. All 14 cameras were not operational until October 1997.

According to the minister, the level of compliance by motorists with speed limits increased from 75 percent to 98 percent after the cameras were introduced, and fines revenue is not likely to exceed the program's operating costs until at least 2000-01.

2.2.2.10 Year 2000 - Millennium Bug Implications for Transport and Main Roads

The committee questioned the minister about the actions of his departments to avoid problems with their computer systems caused by the Year 2000 - Millennium Bug. He advised that both departments had identified systems that might be affected and gauged the business impact of any failures.

For the Department of Main Roads, the minister advised that the greatest threat to continuity of service is posed by external utilities such as electricity, water supply and sewerage. The minister advised that Queensland Transport has a number of potential exposures where equipment or software is not certified as Year 2000 compliant. These include:

- the mainframe computer located at CITEC (OS 390) for the operating system on the Transport Registration and Integrated Licensing System (TRAILS);
- the current Registration On Line System (ROLS);
- databases and operating systems on many of the department's mid-sized computer systems; and
- the department's Human Resource Management System (HRMS) and payroll (Austpay) system.

The minister advised the committee that systems that are at risk are being replaced or upgraded, and that the departments are meeting the costs from their existing budgets.

3. RECOMMENDATION

The committee recommends that the proposed expenditure be agreed to.

4. ACKNOWLEDGMENT

The committee wishes to express its appreciation for the high level of effort and assistance afforded to it by the Hon Stephen Bredhauer MLA, Minister for Transport and Minister for Main Roads; the Hon Robert Schwarten MLA, Minister for Public Works and Housing and the staff from organisational units within their portfolios.

Mr Gary Fenlon MLA

Chairman