

ESTIMATES COMMITTEE E

REPORT TO THE LEGISLATIVE ASSEMBLY OF QUEENSLAND

OCTOBER 1998

ESTIMATES COMMITTEE E

Chairman:	Mr Tim Mulherin MLA Member for Mackay
Deputy Chairman:	Mr Doug Slack MLA Member for Burnett
Other Members:	Hon. Ken Hayward MLA Member for Kallangur Mr Robert Mitchell MLA Member for Charters Towers Mr Jim Pearce MLA Member for Fitzroy Miss Fiona Simpson MLA Member for Maroochydore
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TABLE OF CONTENTS

1. INTRODUCTION	4
2. DEPARTMENT OF MINES AND ENERGY	5
2.1. INTRODUCTION	5
2.2. CAPITAL OUTLAYS 1998-99	5
2.3. PUBLIC HEARING 6 OCTOBER 1998	6
3. DEPARTMENT OF HEALTH	7
3.1. INTRODUCTION	7
3.2. CAPITAL OUTLAYS 1998-99	8
3.3. PUBLIC HEARING 6 OCTOBER 1998	9
4. RECOMMENDATION	10
5. ACKNOWLEDGMENTS	11

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 E was allocated the budget estimates for the portfolios of:

- The Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development.
- the Minister for Health.

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 6 October 1998 by the Hon Tony McGrady MLA, Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development, Hon Wendy Edmond MLA, Minister for Health, and their advisors;
- written responses provided by the Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development, and the Minister for Health to questions submitted by the committee prior to the hearing; and
- written responses provided by the Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development to questions 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, 6 October and 13 October, 1998. These meetings and the public hearing were attended by the full committee.

2. DEPARTMENT OF MINES AND ENERGY

2.1. INTRODUCTION

The mission of the Department of Mines and Energy is to lead the development of operation of Queensland's mineral and energy sectors. The Department's vision is to ensure that the mineral and energy sectors are managed for the benefit of the whole community; that Queensland is an attractive investment destination for mineral and energy exploration and development; and that mineral and energy operations are innovative, world competitive and at best practice.

During 1998-99, the Department will continue to promote gas, mineral and petroleum exploration using modern geological techniques, improved data extraction and enhancement and the imaging of exploration reports.

Other new initiatives to be undertaken in 1998-99 include the rehabilitation of abandoned mine sites at Horn Island and Gympie; improving the environmental performance of the mining industry; and improving the efficiency of the State's energy system through efficiency gains in energy supply and use and through broadening the State's energy base into alternative, economically viable energy sources.

The Department also will continue activities such as mine safety inspection and the promotion of electrical safety issues. The ongoing restructure of the electricity industry will enable the gradual introduction of a competitive electricity market in Queensland, allowing customers to choose their electricity supplier.

The 1998-99 Consolidated Fund budget of \$160.6 million is an increase of \$5.0 million (3.2%) over the 1997-98 Budget. This is mainly attributable to new initiatives totalling \$15.4 million being offset by the completion of major components associated with the electricity industry restructure. The Trust Fund budget is \$3.1 million in 1998-99, an increase from nil in 1997-98 due to new Coal Industry funds being established to replace funds previously maintained by the Queensland Coal Board.

2.2. CAPITAL OUTLAYS 1998-99

The electricity industry will expend \$820.7 million on capital works in 1998-99 including:

- expansion of the Callide and Mica Creek Power Stations; and
- construction of an additional high voltage transmission line from Tarong Power Station to Blackwall to provide reinforcement of electricity supply to Brisbane.

Funding of \$10.3 million is allocated by the Department of Mines and Energy for capital works projects including:

- \$2.1 million for rehabilitation of waste rock dump at Horn Island; and

- \$1.7 million to repair abandoned mine shafts at Charters Towers and Gympie.

2.3. PUBLIC HEARING 6 OCTOBER 1998

During the course of the committee's public hearing the Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development (Hon Tony McGrady MLA) responded to questions regarding numerous matters, some of which are as follows:–

- Queensland Energy Strategy Committee
- Possible re-amalgamation of various Government owned corporations in the electricity industry
- Implications of this for compensation payments under National Competition Policy
- Planned establishment of Office of Sustainable Energy
- Promotion of alternative energy technologies
- Amount of expected savings resulting from use of those technologies
- Relocation of Department's northern regional office
- Establishment of a wholesale electricity market
- Construction of Papua New Guinea-to-Queensland gas pipeline
- Review of gas and petroleum legislation
- Royalty reviews
- Continuity of electricity supply
- Funding for Callide C Project
- Enhancement of environmental performance of Callide B powerhouse
- Fly in/fly out mining operations
- Safety in the petroleum industry
- Rehabilitation of abandoned mine sites
- Eastlink and Westlink projects
- Dividends from electricity industry
- Development of biogas technology

- Environmental monitoring
- Review of explosives legislation
- Review of coal-mining legislation
- Funding for native title negotiations
- Role of SIMTARS
- Remote area power supply trial
- Year 2000 “millennium bug” strategy

Rather than providing a summary of some of these matters in this report the Committee directs readers to the full transcript of the public hearing which can be found in the Estimates Committee E section of the published *Estimates Committee Hansard*.

The Estimates Committee E transcript is also available through the Hansard Home Page: <http://www.parliament.qld.gov.au:81/hansard.htm>

Readers are also directed to the “Additional Information” book tabled in the Legislative Assembly at the same time as this report. That book contains Answers to Questions on Notice, posed both prior to and at the Committee’s public hearing, and other material tabled at or received as a result of the public hearing.

3. DEPARTMENT OF HEALTH

3.1. INTRODUCTION

Queensland Health’s central purpose is to help people to better health and well-being through a range of strategies including health promotion, community development, disease surveillance activities and management of public health risks to the community. In addition, Queensland Health operates a large network of hospitals, as well as nursing homes and other special purpose long term facilities.

Services are provided primarily through a network of 38 District Health Services and the Mater Public Hospitals. Districts provide communities with access to a broad range of quality health services. Several hospitals have received Australian Council on Health Care Standards accreditation and further hospitals are expected to receive accreditation in 1998-99. Key priorities for Health include continuing to reduce elective surgery waiting times, improving health service infrastructure, enhancing mental health services, and maintaining the level and quality of services in the face of reductions in Commonwealth funding.

Extra funding is provided in 1998-99 for maintenance of discontinued Commonwealth programs, reduction of elective surgery waiting lists, continuation of the implementation of the Future Direction for Child Youth Mental Health Services and the Ten Year Mental Health Plan, abolition of the capital charge on Health's additional capital facility and cutting waiting times in accident and emergency departments.

The Queensland Health 1998-99 Budget is \$3.722 billion, an increase of \$288.4 million (8.4%) on the comparable 1997-98 Budget.

3.2. CAPITAL OUTLAYS 1998-99

An amount of \$608.7 million is provided in 1998-99 for capital outlays on hospitals and associated health facilities.

Capital works to be carried out this financial year will play an important part in providing some 9,000 full-time equivalent jobs within the building and construction industry. Job opportunities will be created throughout Queensland both for construction labour and for many suppliers to the health industry.

In 1998-99, major construction works will be undertaken at the Herston Hospitals complex, The Prince Charles Hospital and Princess Alexandra Hospital campuses. Extensive capital outlays also will occur in the northern and western areas of the State, particularly with the establishment/replacement of acute facilities, hospitals and community health centres at Cairns, Bamaga, Emerald and Woorabinda. Additional funds have been provided to upgrade residential aged care facilities.

Funding is provided for construction activity at a number of sites throughout the State including:

- Redlands Hospital (\$14.9 million);
- Bundaberg Hospital (\$14.5 million);
- Cairns Hospital new Clinical Services Building (\$26.4 million);
- Logan Hospital (\$29.8 million)
- Princess Alexandra Hospital (\$53 million);
- Redcliffe and Caboolture Hospitals (\$44.8 million);
- Herston Hospitals Campus (\$55.5 million)
- The Prince Charles Hospital (\$42.8 million);
- Townsville Hospital, Douglas site (\$15.6 million); and
- Ipswich Hospital (\$37.7 million)

3.3. PUBLIC HEARING 6 OCTOBER 1998

During the course of the committee's public hearing the Minister for Health (Hon W Edmond) responded to questions regarding numerous matters, some of which are as follows:—

- 1998-99 growth funds allocations
- Amendment of the Mental Health Act regarding the Mental Health Tribunal and the Patient Review Tribunal
- Australian Health Care Agreement
- Cancer research facility at the Herston hospital complex
- Capital works funding at metropolitan hospitals
- Child immunisation
- District health budgets
- Employment of an ophthalmologist at the Nambour Hospital
- Enhancement of rural and remote health services
- Establishment of a water task force to ensure Queenslanders continue to enjoy safe drinking water
- Funding for elective surgery, mental health services, palliative care and the Home Medical Aid Scheme
- Funding, redevelopment and upgrading of services for Bundaberg, Cairns, Caloundra, Emerald, Gold Coast, Maryborough, Nambour, Noosa, Robina and Townsville hospitals
- Government's commitments and initiatives to addressing women's health needs
- Government's commitments to provide free parenting training for Queensland parents
- Government's commitment to the establishment of a medical school at James Cook University
- Incidence of hearing problems within the Aboriginal and Torres Strait Islander community
- Job creation within Queensland Health
- Lady Ramsay Child Care Centre

- Oral health services
- Overruns in hospital budgets
- Patient Transit Assistance Scheme
- Queensland Health human resources management information system project
- Relocation of psychogeriatric patients from Mosman Hall to Eventide
- Residential Care Program
- Services for management of opiate dependency
- Shortage of nurses in Queensland
- Staffing at the Baillie Henderson Hospital and Wolston Park Hospital
- Steps being taken by Queensland Health regarding the year 2000 millennium bug
- Townsville Bone Marrow Transplant Unit
- Waiting lists in Queensland's 32 major public hospitals and waiting times for categories 1 and 2 elective surgery
- Youth Suicide Prevention Strategy

Rather than providing a summary of some of these matters in this report the Committee directs readers to the full transcript of the public hearing which can be found in the Estimates Committee E section of the published *Estimates Committee Hansard*.

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4. RECOMMENDATION

The committee recommends that the proposed expenditure, in accordance with the estimates referred to the committee, be agreed to by the Legislative Assembly without amendment.

5. ACKNOWLEDGMENTS

The committee takes this opportunity to express its appreciation of the level of co-operation and contribution by ministers and departmental officers with respect to the estimates committee process.

The Committee also wishes to acknowledge the staff of the Committee Secretariat - Mr Chris Garvey, Research Director, Mr Andrew Timperley, Research Officer and Ms Mandy Elcome, Executive Assistant for their valuable support and assistance during the Estimates process.

Tim Mulherin MLA
Chairman

STATEMENT OF RESERVATIONS BY NON-GOVERNMENT MEMBERS
ESTIMATES COMMITTEE E -1998/99 Budget

1. DEPARTMENT OF MINES AND ENERGY

1.1 Electricity Industry Structure

The Committee asked the Minister in reference to page 2 of the Ministerial Portfolio Statement and page 203 of Budget paper Number 2 how he would achieve a competitive electricity market with a re-amalgamation of the electricity industry. In responding, the Minister supported both objectives, and particularly that of re-amalgamation, but gave no explanation of how he could reconcile these without compromising Queensland's competition payments.

Non-government- members are concerned that the State's interest would be severely compromised in any attempt by the Labor Government to re-amalgamate the three generating corporations under the authority of the Minister.

Further, the Minister conceded it was the former Goss Labor Government which committed Queensland to the National Competition Policy but then attempted to distance his Government from the requirements of that policy to introduce competition to the electricity industry.

The Minister made allegations that the former Coalition Government had intended to privatise the electricity industry but was unable to substantiate these.

The Minister also undertook to "find out from the Treasurer the exact amount" of competition payments which would be threatened by re-amalgamation on notice. His reply did not fulfil his commitment to the committee.

1.2 Alternative Energy

Page 3 1 of Budget Paper number 2 states that \$35 million is provided over four years to improve the efficiency of the State's energy system through efficiency gains and energy supply and through the broadening of the State's energy base into alternative economically viable energy sources. The Minister was not able to provide any detailed costings on efficiency gains other than to state that there would be a reduction of 3.4 tonnes of carbon dioxide. The lack of costings indicates an inability to benchmark gains in this area.

1.3 Upgrade of Mt Isa Office

The Minister misled the Committee by implying that the Coalition supported the closure of district Departmental offices.

The Minister could not provide detailed costings of the re-location of the regional Departmental office from Townsville to Mt Isa.

1.4 Callide C

The Committee's discussion on Callide C, the presentation of the budget forecasts for this project and the response to a question taken on notice during the Estimates, leads the non-government members to the conclusion that the Minister has sought to mislead the Committee as to the Government's actions and intentions.

Page 50 of Budget Paper Number 3 lists expenditure on Callide C at **\$27.9** million in 1998/99 - approximately \$100 million less than the \$146 million listed in the May budget papers, comprising \$128 million by CS Energy and \$18 million by Austa. Mr Jardine, Powerlink, subsequently advised that the budget for 1998/99 was in the range of \$60 million to \$70 million, on the advice of CS Energy, and that specific amounts are subject to confidentiality agreements. In reply to a question taken on notice regarding the reduction in expenditure, the Minister now advises that the reduction is actually \$55 million. With such inconsistency between the budget papers, Mr Jardine's response and the reply to the question on notice, the non-Government-members can have no faith in the veracity of the Budget. It is also peculiar to say the least, that CS Energy's expenditure is not listed individually as is the expenditure by the other corporations.

Further, the Minister could not recall issuing a directive to CS Energy and could not give a definitive answer as to whether or not he had issued a directive. Given the requirements of the *Government Owned Corporation Act 1993* and the significance normally associated with a Ministerial directive, this reply is extraordinary.

1.5 Eastlink / Westlink

The Member for Burnett placed a question on notice seeking the programs that were proposed for the facilitation of the Eastlink connection of 1998 and the time frames in relation to overcoming the associated environmental issues (page 22, Hansard report of Estimates E). To date no reply has been received.

1.6 Century Zinc Project

The Minister could provide no detail of any action the Government is taking to progress the Century Zinc project, despite significant delays in relation to the provision of power and restricted access to the mine site because of delays over the construction of the Gregory River bridge.

1.7 Remote Area Power Supply trial

The Minister refused to answer the question as to how the \$1 million Remote Area Power Supply trial would be superior to the May budget's \$5 million remote area electricity supply trial. Further, the Minister admitted there were no plans on what the trial would involve. The provision of funds appears to be an inadequate response to the Minister's decision to scrap the \$5 million Remote Area Electricity Supply trial.

1.8 Fly-in/fly-out Policy

The Minister indicated that no contact with the Federal Government at any level has been made by his department or by the task force, and that involvement from the Federal Government has been sought in the task force. Given the importance of taxation policy to the fly-in/fly-out practice, the establishment of this task force would indicate it will operate in isolation limiting the Government's ability to address the problems associated with fly-in/fly-out policy.

2. DEPARTMENT OF HEALTH

2.1 Late Response to Questions on Notice

It was very unsatisfactory that the Minister failed to provide answers to Government and Non-Government Questions on Notice within the allotted time.

2.2 Minister Mislead Committee

The Non-Government members of the Committee are extremely concerned about deliberate attempts by the Minister to mislead the Committee. The Minister made numerous claims about unfunded Coalition promises and yet when she was asked to table documentation to support her assertions, the Minister initially agreed to provide documentation, but then failed to do so upon further request.

A number of the items the Minister tried to say were unfunded appear in her own budget papers. This included CT scanners for Nambour, Bundaberg and Toowoomba. The Minister was clearly playing politics rather than providing the Committee with correct and factual advice.

Subsequent to the Estimates Committee hearing the Minister has been forced to withdraw her claims about an unfunded commitment for a bus for the Charleville 60s and Better program. The Minister is wrong on two counts. Firstly, no 60s and Better program operates in Charleville. However, there is a bus, which was funded in 1996 by the former government, with disabled access and suitable for use by the aged, operated by the Hospital Auxiliary. So while the Minister is claiming the program exists and the bus doesn't, the reality is the exact opposite.

The Minister should apologise to the Estimates Committee and withdraw the misleading statements which she has made.

2.3 Noosa and Robina Hospitals

The Committee was referred to briefing documents provided to the Minister on coming to government which proved assertions about funding shortfalls for Noosa and Robina Hospitals were false. The Committee referred to a departmental briefing document, obtained by the Opposition through Freedom of Information which stated that funding for both Noosa and Robina hospitals had been approval by Governor-in-Council.

This proved that the Minister's claims about not having funding approval for these projects were false. The Minister also suggested that these projects were signed-off just prior to the State Election, this proved also to be false. Health Care of Australia was selected in November 1997 to build and operate the new Noosa Hospital and the Sister's of Charity were selected to build and operate Robina Hospital in March 1998.

In a disgraceful abuse of parliamentary privilege the Minister also made false and unsubstantiated assertions about the former Minister's office influencing the appointment of a legal firm to advise Queensland Health on issues associated with establishing Noosa and Robina Hospitals.

The firm named under privilege by the Minister is a well respected National law firm which has provided advice to both sides of government in Queensland. The firm was appointed through the normal departmental processes, with a selection panel involving senior Queensland Health officers.

Significantly, the Minister failed to mention that the firm is continuing to provide legal advice to Queensland Health for four Brisbane metropolitan collocation projects currently underway.

2.4 District Budgets

The Minister treated the Committee with contempt by refusing to provide details of District Health Service budgets. This was despite the Non-Government members providing media clippings which showed the Minister had announced District Health Service budgets publicly.

Claims by the Minister that the former Minister had refused to provide the budget information were false and misleading. An examination of previous Estimates Committee hearings showed that the former Minister had provided details of District Health Service budgets.

2.5 Capital Works

Of major concern is the significant reductions to a number of major hospital rebuilding projects across Queensland. This includes a \$47.49 million "slowdown" on four of Brisbane's major hospital redevelopments.

A comparison of spending announced for the Herston Hospitals Complex, Princess Alexandra, Mater Children's and Redland hospital redevelopments in the Coalition's 1998/99 budget, compared to the Labor budget, shows:

	Coalition 1998/99	Labor 1998/99	Labor Reduction
Herston Hospitals	\$57.242 million	\$53.021 million	\$4.221 million
Princess Alexandra	\$62.812 million	\$40.289 million	\$22.523 million
Mater Children's	\$24.384 million	\$5.760 million	\$18.624 million
Redland	\$17 million	\$14.878 million	\$2.122 million

The Minister has also slashed spending on the Nambour Hospital redevelopment by a massive \$3.5 million this financial year. The government will only spend \$1.9 million on the Nambour Hospital redevelopment in 1998/99, compared to \$5.5 million announced in the Coalition's budget.

Despite the Minister's public announcement of a \$17.9 million increase in funding to Cairns Base Hospital redevelopment, the real increase revealed in the budget papers is only \$4.65 million. Every other hospital project listed in the capital works program has their total estimated cost listed in the official budget papers. The Minister was unable to provide any clear explanation as to why the funding is not listed in the budget.

2.6 **Waiting Lists**

Non-Government members were staggered by the Minister's announcement ~~that~~ waiting lists will increase in the next quarter, particularly given that the Minister's own figures show that waiting lists in Queensland public hospitals were dramatically reduced under the former government. Also of concern, was the Minister's refusal to set a target to reduce the number of patients waiting for elective surgery in Queensland public hospitals.

2.7 **Summary**

The Non-Government members of the committee were extremely disappointed by the Minister's performance. The Minister made numerous unsubstantiated claims about the previous government's performance in the health area.

The Minister appears to be well out of her depth in the health portfolio and it is the opinion of the Non-Government members that she was found wanting in the Estimates Committee hearing.

[Original Signed]

Rob Mitchell MLA
Member for Charters Towers

[Original Signed]

Fiona Simpson MLA
Member for Maroochydore

[Original Signed]

Doug Slack MLA
Member for Burnett