



# ESTIMATES COMMITTEE F - 2002

## REPORT

### INTRODUCTION

Estimates Committee F was appointed on 18 April 2002 to examine and report on the proposed expenditure set out in the Appropriation Bill for the organisational units within the portfolios of:

- Minister for Transport and Minister for Main Roads
- Minister for Public Works and Minister for Housing
- Minister for Innovation and Information Economy

The committee considered the estimates by examining the budget papers and ministerial portfolio statements, answers to pre-hearing questions on notice, evidence taken at a public hearing and answers to questions taken on notice at the hearing.

During the inquiry the committee examined a wide range of issues, which are listed in this report. For details on these issues the committee directs readers to:

- the volume of 'additional information' (tabled in the House) that contains the committee's questions on notice, the Ministers' answers, and minutes of the committee's meetings; and
- The transcript of the committee's hearing, which is available on the Hansard web-page at: [www.parliament.qld.gov.au](http://www.parliament.qld.gov.au).

### TRANSPORT AND MAIN ROADS

The Transport and Main Roads Portfolio comprises the Department of Transport (Queensland Transport), the Department of Main Roads and government-owned corporations (GOCs), statutory authorities and other units that report to the minister through these departments.

The appropriations provided to these departments in the *Appropriations Bill 2002* total \$3.027 billion - \$1.272 billion to Queensland Transport and \$1.755 billion to the Department of Main Roads.

### DEPARTMENT OF TRANSPORT

Queensland Transport's projected outputs for 2002-2003 are as follows:

Output	\$'000
Rail, Ports and Aviation Systems	434,597
Integrated Transport Planning	19,614
Road Use Management	198,064
Maritime Services	105,344
Public Transport Services	578,178
<b>Total</b>	<b>\$1,335,797</b>

Source: *State Budget 2002-2003 MPS – Minister for Transport and Minister for Main Roads p.1-9.*

### DEPARTMENT OF MAIN ROADS

The Queensland Department of Main Roads' projected outputs for 2002-2003 are as follows:

Output	\$'000
Road Network Planning and Management	1,853,025
Road Asset Maintenance	236,543
Road Network Operation and Use	16,199
<b>Total</b>	<b>\$2,105,767</b>

Source: *State Budget 2002-2003 MPS – Minister for Transport and Minister for Main Roads p.2-7.*

Specific issues examined during the inquiry included:

- New voluntary redundancy policy
- Voluntary retirement program as part of the enterprise agreement
- Queensland Rail's drive for improved efficiencies for workers and rail passengers
- Brisbane to Cairns tilt train
- Rail corridor safety fencing program
- Network access rail project CS83
- Rail capital works budget in regional and rural Queensland
- Improving the accessibility of the Citytrain passenger rail service
- Citytrain disability access compliance project
- Disability Access Week

- Standardised concessions
- KOJX cattle wagons
- Relocation of Townsville South rail yards
- Rail-bus service linking Nambour to Caboolture
- Track alignment issues between Caboolture and Landsborough
- Removal of the traffic improvement fee for antique and historical vehicles
- Over representation of motorcyclists in accidents
- Speeding
- Ship safety and pollution prevention measures review of the Great Barrier Reef
- Compulsory pilotage in the Torres Strait
- Digital driver licensing
- Smart card drivers licence
- Queensland Port Network Strategy
- Safety of children travelling to and from school
- School Transport Safety Task Force
- Urangan boat harbour
- Cairns Cityport project
- Subsidies for passenger air services
- Inner Northern Busway
- Ports and the capital infrastructure budget
- Road use management output programs on TravelSmart Suburbs
- Estimated cost of Tugun bypass
- Staffing projections
- Bridge Asset Management System
- Cost and congestion of the Gateway bridge
- Gatton bypass project
- Protection of subcontractors and workers
- Budget outcomes for regional roads
- Federal Government involvement in transport
- Roads to Recovery commitment to local government
- Maintenance of the state-controlled road network
- Road expenditure in South-East Queensland
- Road funding to improve access to Aboriginal and Torres Strait Islander communities
- Reduced Federal Government commitment to safety and urgent minor works on national highways
- Funding for assets maintenance
- Bridge audits
- Promotional and post-production work by Cutting Edge Pty. Ltd
- Douglas arterial road allocations and land resumptions
- Cost of Brisbane port road
- Funding for Brisbane urban link planning study

- Peninsula Development Road
- Booral Road works
- Ipswich Motorway planning study

## **INNOVATION & INFORMATION ECONOMY**

The Innovation and Information Economy portfolio is administered as part of the Department of Innovation and Information Economy, Sport and Recreation Queensland (DIIESRQ) and includes CITEC.

Under the Government's administrative arrangements, the department is accountable to both the Deputy Premier, Treasurer and Minister for Sport and the Minister for Innovation and Information Economy in relation to the administration of their respective portfolios.

Estimates Committee A examined the budget estimates for the portfolio of the Deputy Premier, Treasurer and Minister for Sport.

The department's total appropriation in 2002-2003 is \$218.152 million. The Innovation and Information Economy Portfolio outputs for 2002-2003 include \$16.088 million for policy, regulatory and advisory Services (shared with Sport and Recreation) and \$62.746 million for services, infrastructure and facilities to Queensland's regions:

Specific issues examined during the inquiry included:

- Promotional, public awareness and advertising expenditure
- Consultancies
- Grants and subsidies
- ICT contracts
- CITEC – functions, competitive pricing and contracts awarded to
- Expenditure on information technology
- New jobs in the information and technology industry
- The Reef Network – fibre optic telecommunications infrastructure
- Code of ethical practice for biotechnology
- Government internet gateway
- Supercomputing facilities for Queensland universities
- The *Public Records Act*
- ICT take-up in Queensland
- Queensland research and development strategy
- Queensland tropical science strategy
- Electronic service delivery
- Grants to Cutting Edge Post Pty. Ltd.
- International Trade show assistance program
- Biodiscovery program
- Queensland Government functions thesaurus
- Government tendering of IT work

- Women in the ICT industry
- The Smart State Research facilities Fund
- Telecommunication in the bush
- Queensland entrepreneurs
- Biodiscovery and tropical rainforests

## PUBLIC WORKS AND HOUSING

The Public Works and Housing Portfolio comprises the Department of Public Works, the Department of Housing and statutory authorities that report to the minister through these departments.

The total appropriations provided to these departments in the *Appropriations Bill 2002* is \$451,870 million as follows:

Department	\$'000
Department of Public Works	117,034
Department of Housing	334,836
<b>Total</b>	<b>\$451,870</b>

Source: *State Budget 2002-2003 MPS – Minister for Public Works and Minister for Housing p.1-7 and 2-6.*

### DEPARTMENT OF PUBLIC WORKS

The Department of Public Works' projected outputs and costs for 2002-2003 are as follows:

Output	\$'000
Building Procurement & Asset Management	289,177
Procurement Services	5,803
<b>Total</b>	<b>\$294,980</b>

Source: *State Budget 2002-2003 MPS – Minister for Public Works and Minister for Housing p.1-8.*

### 1.1 DEPARTMENT OF HOUSING

The Department of Housing's projected outputs for 2002-2003 are as follows:

Output	\$'000
Aboriginal & Torres Strait Islander Housing	96,898
Community Housing	47,810
Community Renewal	25,266
Home Purchase Assistance	20,274
Private Housing Assistance	40,355
Public Rental Housing	551,676
<b>Total</b>	<b>\$782,279</b>

Source: *State Budget 2002-2003 MPS – Minister for Public Works and Minister for Housing p.2-7.*

Specific issues examined during the inquiry included:

- Consultancies and out-serviced advice
- Advertising
- Legal costs
- Sales of, and protocol for the sale of departmental houses
- Queensland code of practice for the building and construction industry
- Workplace health and safety

- Apprentices on the Sunshine Coast
- Public housing on the Sunshine Coast
- Q Fleet environmental initiatives
- Commonwealth State Housing Agreement
- Implementation of the *Residential Services Accommodation Act 2002*
- Capital works projects
- The Brisbane Housing Company
- Procurement training
- Indigenous reconciliation initiatives
- New housing legislation
- State planning policy and legislative framework
- Security of payment within the building industry
- Unlicensed contractor investigations
- Rainwater tanks
- Building industry services compliance program – signage requirements
- Suncorp Metway Stadium redevelopment – guaranteed construction sum
- Asbestos management and backflow prevention
- Q-build staffing levels and apprentices
- Thermal comfort mechanisms for Government school buildings
- Roma Street parklands
- Construction of a research house in Rockhampton
- Government office building on Sheridan Street, Cairns
- Millennium Arts Project architectural competition
- Lighting centre of excellence
- Use of ethanol blend in government vehicles
- North Bank riverside development
- State Purchasing Policy implementation
- Aboriginal apprentices
- SDS regional trader model
- Multi-purpose centre Mackay
- Government office building at 33 Charlotte Street, Brisbane
- Opportunities for indigenous business operators
- Sale of houses by the Department of Housing
- Sale of houses at Azalea, Abelia, Buddelia and Crocus Streets, Inala to Liberty Homes Pty Ltd.
- Commonwealth-State housing agreement
- Proposed state purchasing policy and legislative framework for affordable housing
- Purchase of homes from the Defence Force Housing Authority
- Public Housing Strategy for people with disabilities
- Services and assistance for foster families

- Funds directed to homelessness
- Capital Works on existing dwellings
- Crisis and emergency accommodation needs on the Sunshine Coast
- Case conferencing to solve complex applicant and tenancy issues
- Kelvin Grove Urban Village
- Aboriginal and Torres Strait Islander Housing – capital works program for deed of grant in trust communities
- Singles accommodation
- Proposed new housing legislation
- Community renewal and urban renewal programs in Leichhardt and Manooora
- The Home Assist Secure program
- Establishment of a call centre to manage Brisbane metropolitan property maintenance calls
- Local rules framework for public rental housing
- Upgrade of accommodation at the Monte Carlo Caravan Park
- The operation of tenancy databases
- Residential Tennancies Authority – services to regional and rural clients

## RECOMMENDATION

The committee recommends that the proposed expenditures, as stated in the *Appropriation Bill 2002* for the organisational units within the portfolios referred to Estimates Committee F for examination, be agreed to by the Legislative Assembly without amendment.

Andrew McNamara MP  
Chair

July 2002

## MEMBERSHIP

Mr Andrew McNamara MP, Chair and Member for Hervey Bay

Mr Vaughan Johnson MP, Deputy Chair and Member for Gregory

Mrs Desley Boyle MP, Member for Cairns

Mr Don Livingstone MP, Member for Ipswich West<sup>[1]</sup>

Ms Carolyn Male MP, Member for Glass House

Mr Trevor Strong MP, Member for Burnett

Mr Ray Hopper MP, Member for Darling Downs

Mr Peter Wellington MP, Member for Nicklin

## STAFF

Mr Rob McBride, Research Director

Ms Maureen McClarty, Research Officer

Ms Lynn Knowles, Executive Assistant

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<sup>[1]</sup> Mr Livingstone replaced Ms Male in accordance with SO 15(1)

**Estimates Committee F  
Dissenting Report**

**Transport and Main Roads**

**Vaughan Johnson MP  
Deputy Leader of the Opposition  
Deputy Leader of the Queensland Nationals  
Member for Gregory**

Mr Chairman,

It is with regret that I find it necessary to provide this dissenting report in relation to the Report of Estimates Committee F in relation to the examination of the expenditure of the Department of Transport and Main Roads and associated entities.

I wish to state at the outset that it is not my usual practice to submit a dissenting report as I am of the belief that the Government should be supported in legitimate expenditure towards the achievement of its policy goals. This year, however, I am at odds with not only the Government's policy goals for the portfolios of Transport and Main Roads, but also the manner in which the Minister for Transport and Main Roads has administered expenditure of these portfolios budgetary allocations and unwillingness to submit to proper scrutiny through the Estimates Committee process.

I have detailed my concerns under separate headings listed below.

**Avoidance of proper scrutiny under the Estimates Committee process:**

My broad concerns under this heading relate to what I consider to be the failure of the Minister to provide the Committee with the necessary information to permit the appropriate scrutiny of the operations of the Departments and GOC's. Both the structure of the budget documentation and his responses to Questions on Notice and Questions without Notice were calculated to avoid accountability and prevent the Committee from being able to determine if taxpayers' funds are being properly acquitted.

In support of my conclusion I would refer you to the following issues:

- The Minister refused to provide the complete details in relation to my first two Questions on Notice on the basis that the compilation of the information would divert departmental resources from essential services.

During hearings the Minister claimed that this situation arose because the information requested was too broad, yet in the past specific requests for information has been denied because they were too narrow.

The two questions concerned were as follows:

“Question 1:

In regard to all Promotional, Public Awareness and Advertising expenditure of, or administration by your departments for the 2001/2002 financial year, could you please specify:

- a) The campaign title and purpose;
- b) The expenditure of each of (a);
- c) The location of the region of (a) and (b);
- d) The number of persons employed to service promotional, public relations and advertising needs in your department as well as any associated agency or instrumentality; and
- e) Did the Premier or Minister’s photo appear in this material, if so how many times? and

Question 2:

With regard to departmental activities such as reviews undertaken, taskforce investigations, re-alignments, re-structures, steering committees, working parties, interdepartmental working groups and pilot programs, please provide details of:

- a) The duration of the exercise
- b) Staff allocations for each activity including details of staff classifications
- c) The terms of reference for each activity
- d) The time lines for each activity
- e) Detailed listings of significant milestones related to the development of such activities and;
- f) Details of any implementation of any recommendations made / proposed as a result of such activities?”

I noted with some interest that the Minister was able to provide some information during the hearing in response to direct questioning as to whether Cutting Edge Post Pty Ltd had been involved in the preparation of any such material forming the subject of my first two Questions on Notice.

Although the Minister’s responses to my Questions without Notice concerning Cutting Edge Post Pty Ltd were less than impressive and in my view designed to avoid provide a complete response, they do indicate that he had been briefed with some information that he clearly was unwilling to provide to me unless prompted to do so, despite my earlier Questions on Notice.

- I made repeated requests of the Minister during the hearings for detailed information as to the results of an audit undertaken of bridges under the Bridge Asset Management System referred to in the Ministerial Program Statement (page 2-15).

The Minister repeatedly avoiding providing this information to the Committee, but this information reported in *The Courier~Mail* the very next morning.

### **Serious failure in financial management:**

This issues I wish to highlight in relation to this heading also has relevance as an example of the Minister’s propensity to avoid accountability in relation to providing full and detailed information to

the Committee. However, in this context, I am concerned as to the extent of gross mismanagement and reporting of Queensland Transport's capital expenditure

- During the hearing the Minister claimed to be unable to respond to a question comparing budget allocations in last year's capital statement to actual expenditure reported in the budget documents being examined for 2002/03.

Part of the Minister's difficulty appeared to be as a result of what I can only construe as being a deliberate attempt to disguise an obvious 'under spend' by inexplicably breaking up Transport Portfolio allocations in the Capital Statement. This practice of changing reporting structures is by itself an example to the Beattie Government trying to evade scrutiny.

Although the Minister eventually conceded the Department of Transport had in fact underspent last year's capital budget allocation in excess of \$175 million, he did so at the very close of the hearing again denying the committee an opportunity of follow up questions.

- In response to another Question on Notice the Minister advised that stopping patterns and fare structures in relation to the Cairns Tilt Train were not available and would be the subject of an extensive consultation process which the Government was yet to undertake.

The Minister repeated this claim before the Committee at the hearing, but once again this information was readily available to *The Cairns Post* within two days and clearly indicates a number of basic assumptions used to justify this project including the transit time, fares, number of services were available to the Minister.

I can only conclude that the Minister deliberately was less than frank in the provision of this information to the Committee as part of a deliberate action to avoid testing questions on the subject that would embarrass him and the Beattie Government over its mismanagement of this project.

Contrary to the recommendations of the Parliamentary Public Works Committee, the Cairns Tilt Train project continues without appropriate financial analysis and with the real costs being hidden from public scrutiny by artifice.

Further example of the Beattie Government's contemptuous treatment of the Estimates Committee process is recorded in Hansard. Briefly, other issues include:

- Evidence that capital expenditure has been significantly reduced and a large number of jobs will be lost from Queensland Railways and Main Roads in particular;
- Ineptitude in the administration of major construction projects have resulted in a massive underspend by Queensland Transport costing the Queensland community, on the Minister's own calculations, more than 3,000 jobs last year at a time when Queensland continues to record the worst unemployment rate in mainland Australia;
- The Department of Main Roads continues its sorry record of massive budget blow outs while important projects are delayed as expenditure is slipped from budget to budget.

The mystery of the Tugun Bypass deepens with the Minister being unable to specify the anticipated cost of the project while stripping \$2 million from the promised allocations for this financial year.

It is again worthy of note that the Beattie Government has still to deliver on any major infrastructure project of its own making for over four years.

Meanwhile South East Queensland is being strangled by the Beattie Government's failure to address integrated public transport and further delays to the implementation of integrated ticketing.

In view of the issues raised, I regret to inform the Committee that the Opposition must dissent from any report endorsing the Beattie Government's proposed expenditure for the Department of Transport and Main Roads and associated entities.

Yours sincerely,

**Vaughan Johnson MP**  
**Deputy Leader of the Opposition**  
**Deputy Leader of the Queensland Nationals**  
**Shadow Minister for Transport and Main Roads**  
**Member for Gregory**