



Estimates Committee C

2007

Report to the Legislative Assembly

Introduction

1. The Legislative Assembly appointed Estimates Committee C on 23 May 2007 to examine and report on the proposed expenditures contained in the Appropriation Bill 2007.
2. The Legislative Assembly appointed this committee to examine and report on the proposed expenditure for the organisational units within the portfolios of:
 - the Minister for Transport and Main Roads;
 - the Minister for State Development, Employment and Industrial Relations; and
 - the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland.
3. The committee conducted a public hearing on Thursday 12 July 2007 to take evidence from these ministers. A transcript of the committee's hearing is available on the Parliament's Internet web site at: <http://www.parliament.qld.gov.au/Hansard/>.
4. For the purposes of examining the proposed expenditure for the organisational units allocated to it, the committee considered information obtained at the public hearing and in:
 - budget papers and ministerial portfolio statements (MPS);
 - written responses provided by ministers to the committee's questions on notice prior to the public hearing;
 - documents tabled at the hearing; and
 - written responses provided by ministers to questions taken on notice at the hearing.

5. During its inquiry the committee examined a wide range of issues including those listed in this report.
6. Answers to the pre-hearing questions on notice and questions taken on notice at the hearing, together with other material provided in response to requests by the committee and minutes of the committee's meetings, are included in a volume of additional information tabled with this report.

Minister for Transport and Main Roads

7. The Transport and Main Roads portfolio consists of the Department of Transport (Queensland Transport), the Department of Main Roads, government-owned corporations (GOCs), and statutory authorities and other organisational units that report to the minister.
8. The appropriations provided to the departments in the Appropriation Bill 2007 total over \$5.6 billion—over \$3 billion to the Department of Transport and over \$2.5 billion to the Department of Main Roads.

Department of Transport

9. Queensland Transport is the lead agency responsible for developing and managing the land, air and sea transport environments in Queensland.
10. The MPS (at 1-1) lists Queensland Transport's primary roles as: setting the future direction and development of the transport system in Queensland; planning and managing a transport system that is sustainable, safe, efficient, and equitable; and delivering and operating consistent, integrated and efficient services and infrastructure, to an agreed standard.

11. The following table sets out details of the appropriation for 2007-08 compared to the previous financial year:

	2006-07 Budget \$'000	2007-08 Estimate \$'000
Departmental Outputs	1,734,489	1,965,764
Equity Adjustment	233,074	550,904
Administered Items	298,410	594,078
Vote Total	2,265,973	3,110,746

Source: Queensland State Budget 2007-08 Ministerial Portfolio Statement – Minister for Transport and Main Roads, p. 1-7.

12. Queensland Transport's projected outputs for 2007-08 are as follows:

Departmental Outputs	Total Cost 2007-08 \$'000
Rail, Ports & Aviation Systems	704,375
Integrated Transport Planning	40,226
Road Use Management	257,834
Maritime Safety	110,589
Public Transport Services	1,222,15
Total	2,335,181

Source: Queensland State Budget 2007-08 Ministerial Portfolio Statement – Minister for Transport and Main Roads, p. 1-8.

Budget highlights

13. The MPS lists budget highlights for 2007-08, including:

- \$129 m to complete the construction of the Inner Northern Busway sections one and two.
- \$85.8 m towards construction of the Eastern Busway (Boggo Road Busway) corridor.

- \$50 m towards construction of the Eastern Busway: Princess Alexandra Hospital to Buranda.
- \$103.3 m towards construction of the Northern Busway between the Royal Children's Hospital and Kedron.

Issues considered by the committee

14. The committee considered a range of issues raised in the hearing and in answers to pre-hearing questions on notice. These included:

- rail passenger and freight rolling stock
- Abbot Point Coal Terminal expansion
- coal loading issues
- regional freight charges
- road safety issues
- surface transport security
- Wiggins Island coal terminal project
- marine pilotage arrangements
- Smartcard public transport ticketing system
- investment in the ports network
- rail infrastructure
- Traveltrain operations
- Cairns Port Authority
- electronic stability technology in vehicles
- graduated licensing system for drivers
- driver and rider compliance, and recidivist behaviour
- investment in regional public transport
- heavy vehicle fatigue management
- contributions by the State Government and local councils to public transport
- Sunshine Coast public transport
- Western Brisbane Transport Network
- Torres Strait marine safety program
- overseas travel: TransLink
- support for regional and remote air services
- legal services and litigation costs
- tendering process.

Department of Main Roads

15. The MPS (at 2-1) indicates that the Department of Main Roads is responsible for planning, managing, maintaining and enhancing the State-controlled road network so that it meets the current and future needs of the people, business and industry throughout the State.
16. The following table sets out details of the appropriation for the Department of Main Roads for 2007-08 compared to the previous financial year:

	2006-07 Budget \$'000	2007-08 Estimate \$'000
Departmental Outputs	1,137,303	1,170,633
Equity Adjustment	605,009	1,360,622
Administered Items	---	---
Vote Total	1,742,312	2,531,255

Source: Queensland State Budget 2007-08 Ministerial Portfolio Statement – Minister for Transport and Main Roads, p. 2-8.

17. The projected outputs for the Department of Main Roads for 2007-08 are as follows:

Departmental Outputs	Total Cost 2007-08 \$'000
Road System Planning	40,471
Infrastructure Program Development and Delivery	1,272,142*
Road Stewardship	86,811
Road System Access Funding	96,051
Total	1,495,475

* Includes Depreciation (\$548 m) and Road Asset Write Offs (\$293 m).

Source: Queensland State Budget 2007-08 Ministerial Portfolio Statement – Minister for Transport and Main Roads, p. 2-9.

Budget Highlights

18. Budget highlights for 2007-08 listed in the MPS include:
- \$179.7 m towards continuation of construction of the four-lane bypass on the Pacific Motorway between Tugan and Tweed Heads.
 - \$163.5 m towards the upgrade of the Ipswich Motorway between Wacol and Darra and \$121 m towards the continuation of works to upgrade the Ipswich/Logan Motorway interchange.
 - \$134.4 m towards construction of the South West Arterial (Springfield-Ripley-Yamanto extension).
 - \$133.7 m for duplication of the Sunshine Motorway between Sippy Downs and Pacific Paradise.

Issues considered by the committee

19. The committee considered a range of issues throughout the inquiry, including the following matters raised in the hearing and in questions on notice:
- Tugan bypass and M1 upgrade
 - Ipswich Motorway
 - Kuranda Range road
 - local government and RoadTek workforces
 - funding for road maintenance and rehabilitation programs
 - Townsville Port access project
 - Riverside Expressway maintenance
 - road surface at Sippy Downs (Tanawha off ramp)
 - Traffic Infrastructure Development Scheme (TIDS) funding
 - federal-state funding for road infrastructure
 - AusLink network priorities
 - state-local government partnerships under the TIDS and Local Roads of Regional Significance programs
 - projects under the South East Queensland Infrastructure Plan

- Warrego Highway upgrade
- federal funding for work on the Bruce Highway
- M1 noise treatment program
- road infrastructure in the Redland Bay area
- funding for the rural and regional roads network
- traffic management in Brisbane
- legal services and litigation costs
- tendering process
- Peninsula Developmental Road
- State-wide infrastructure program and delivery
- Hope Vale to Cooktown Road.

Minister for State Development, Employment and Industrial Relations

20. The portfolio for the Minister for State Development, Employment and Industrial Relations consists of the Department of State Development, and the Department of Employment and Industrial Relations.
21. The appropriations provided to the minister in the Appropriation Bill 2007 total over \$500 m—over \$360 m to the Department of State Development and over \$140 m to the Department of Employment and Industrial Relations.

Department of State Development

22. The MPS (at 1-1) states that the Department of State Development is the Government's key economic development agency and has a lead role to play in maintaining Queensland's strong economic performance and accelerating further growth opportunities.
23. The following table sets out details of the appropriation for 2007-08 compared to the previous financial year:

	2006-07 Budget \$'000	2007-08 Estimate \$'000
Departmental Outputs	222,571	218,871
Equity Adjustment	22,454	78,645
Administered Items	34,315	62,924
Vote Total	279,340	360,440

Source: Queensland State Budget 2007-08 Ministerial Portfolio Statement – Minister for State Development, Employment and Industrial Relations, p. 1-5.

24. The department delivers a single output: Business and Market Development Services and Innovation.

Budget highlights

25. The MPS lists the following budget highlights for 2007-08:
- \$31.84 m towards implementation of the Western Hardwoods Plan and operations of the Statewide Forest Process;
 - support for the alternative fuel industries;
 - support to develop and implement programs to address critical skills and labour shortages; and
 - driving the *Centres of Enterprise* initiative.

Issues considered by the committee

26. The committee considered a range of specific issues throughout its inquiry, including the following:
- Queensland Investment Incentives Scheme
 - assistance to small business under departmental grants schemes
 - regional economic development groups
 - Queensland Aviation Industry Development Plan
 - regulatory reform activities
 - skills and labour shortages

- Queensland Ethanol Industry Action Plan
- SmartState innovation projects and skills funding
- Defence aerospace projects
- Centres of Enterprise initiative
- industry capability network
- State Development Centres
- Indigenous business development
- Innovation Building Fund
- funding to the E-Health Research Centre
- Queensland Industry Development Scheme
- Queensland Skilled Migration Program
- tendering process
- litigation costs.

Department of Employment and Industrial Relations

27. The Department of Employment and Industrial Relations, created in October 2006 as a result of machinery-of-government changes, is made up of the former Department of Industrial Relations, and the Employment and Indigenous Initiatives Division from the former Department of Employment and Training (MPS at 2-1).

28. The following table sets out details of the appropriation for 2007-08 compared to the previous financial year:

	2006-07 Adjusted Budget \$'000	2007-08 Estimate \$'000
Departmental Outputs	132,226	144,018
Equity Adjustment	(1,151)	347
Administered Items	---	---
Vote Total	131,075	144,365

Source: Queensland State Budget 2007-08 Ministerial Portfolio Statement – Minister for State Development, Employment and Industrial Relations, p. 2-5.

29. The projected outputs for the Department of Employment and Industrial Relations for 2007-08 are as follows:

Departmental Outputs	Total Cost 2007-08 \$'000
Employment Initiatives	100,834
Private Sector Industrial Relations Services	22,777
Administration of the Industrial Court and Commission System	7,761
Workplace Health and Safety Services (including Workers' Compensation Policy)	59,462
Electrical Safety Office	11,424
Public Sector Industrial and Employee Relations Services	3,019
Total	205,277

Source: Queensland State Budget 2007-08 Ministerial Portfolio Statement – Minister for State Development, Employment and Industrial Relations, p. 2-6.

Budget highlights

30. The MPS lists the following budget highlights for 2007-08:

- \$81.75 m to assist approximately 17,000 Queenslanders under the Skilling Queenslanders for Work program;
- funding for the Queensland Workplace Rights Office and the Smart Workplaces program; and
- implementation of a renewable and photographic licensing system for prescribed high-risk occupations.

Issues considered by the committee

31. The committee considered a range of issues throughout its inquiry, including:

- photographic licensing system for prescribed occupations
- Queensland Industrial Relations Commission (QIRC) workload and staffing levels

- employee coverage under the federal and state industrial relations systems
- funding for staffing costs
- workplace practices and compliance services issues
- Queensland workers compensation scheme
- State laws concerning child labour
- QIRC inquiry into workplace agreements
- employee assistance package for the banana industry
- Queensland Workplace Rights Office
- Wageline service and Wageline web site
- employment rates
- Breaking the Unemployment Cycle program
- Experience Pays Awareness strategy
- Participate in Prosperity strategy
- Construction Industry Action Plan
- Prisoners Post Release program.

Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland

32. The MPS (at 1) states that a key role of the Department of Natural Resources and Water is ensuring sustainable use of the State's natural resources to allow the continued generation of wealth.
33. The following table sets out details of the appropriation for 2007-08 compared to the previous financial year:

	2006-07 Budget \$'000	2007-08 Estimate \$'000
Departmental Outputs	509,836	487,709
Equity Adjustment	6,380	104
Administered Items	75,372	17,371
Vote Total	591,588	505,184

Source: Queensland State Budget 2007-08 Ministerial Portfolio Statement – Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland, p. 8.

34. The department's projected outputs for 2007-08 are as follows:

Departmental Outputs	Total Cost 2007-08 \$'000
Water and Catchment Services	339,990
Land and Vegetation Services	268,556
Total	608,546

Source: Queensland State Budget 2007-08 Ministerial Portfolio Statement – Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland, p. 8.

Budget highlights

35. The budget highlights for 2007-08 listed in the MPS include:
- ongoing funding to establish the Queensland Climate Change Centre of Excellence (QCCCE);
 - funding to evaluate cloud seeding as a means to improve water storage levels in dams;
 - additional funding to supplement the Water Reform: Continuity of Supply initiative; and
 - \$100.8 m for water rebate schemes, designed to assist Queensland householders make their homes and gardens more water efficient.

Issues considered by the committee

36. The committee considered a range of issues, including the following matters raised in questions on notice and at the hearing:
- stock route agistment fees
 - vegetation management legislation, adjustment packages and incentive programs
 - Property Maps of Assessable Vegetation
 - regional pest management and bushfire plans
 - assistance for irrigators and water users

- funding for the Queensland Conservation Council weed and vegetation management program
- WaterWise rebate schemes, and rainwater tank issues
- water licence trading
- water supply assistance to small communities
- QCCCE projects, web site and funding issues
- cloud seeding
- wild rivers declarations and code
- sale of Wivenhoe Dam sand
- Rural Leasehold Land Strategy
- greenhouse gas abatement activities
- Indigenous land use agreements
- delivery of training to the People's Republic of China
- department's web site and call centre services
- regional water supply strategies
- continuity of Queensland's regional water supplies
- Burdekin Falls Dam
- potential groundwater aquifers
- purified recycled water projects
- tsunami preparedness
- Urban Water Security Research Alliance
- Central Queensland Regional Water Supply Strategy
- Mooloolaba Spit and Tripcony and Hibiscus Master Plans
- management of native forest timber production and quarry material sales
- transfer of departmental functions
- legal services and litigation costs
- tendering process
- State land rentals.

Recommendation

37. The committee recommends that the proposed expenditure, as detailed in the Appropriation Bill 2007 for the organisational units in the portfolios referred to Estimates Committee C for examination, be agreed to by the Legislative Assembly without amendment.

Acknowledgements

38. The committee thanks ministers and their staff for their cooperation and assistance during the estimates process.
39. Additionally, the committee acknowledges the assistance of officers of the Parliamentary Service who contributed to the organisation of the estimates process.

Jason O'Brien MP
Chair

August 2007

Committee Members

Mr Jason O'Brien MP (Chair)
Mr Vaughan Johnson MP (Deputy Chair)
Mr Michael Choi MP*
Mr Phil Gray MP
Mr Ray Hopper MP
Ms Kate Jones MP
Miss Fiona Simpson MP

*On 18 July 2007, the Leader of the House appointed Ms Carolyn Male MP as a committee member in place of Mr Choi, in accordance with Standing Order 170(1).

Secretariat

Ms Meg Hoban (Research Director)
Ms Narelle Robinson (Executive Assistant)

STATEMENT OF RESERVATIONS

ESTIMATES COMMITTEE C

Ray Hopper MP
Shadow Minister for Natural Resources and Water
Member for Darling Downs

I refer to the report for Estimates Committee C and submit a statement of reservations on the report and some general comments on the process of Estimates Committees hearings.

The Estimates Committee process this year again highlights the significant weaknesses in this process as a mechanism for proper scrutiny of the expenditures of Government Departments and agencies. In particular, I express the following general reservations in relation to the Estimates Committee Process:

- The entire structure of the whole Estimates Committee process does not allow detailed analysis of the expenditures provided for in the Queensland Budget.
- There is simply not enough time provided to enable proper and detailed consideration of individual Ministerial Portfolio Statements given the number of programs and expenditure. An entire day per portfolio would still not provide sufficient time given the breadth of some portfolios.
- The limited number of Questions on Notice allowed to be asked on each Ministerial Portfolio Statement prevents the pursuit of important issues.
- Receiving responses to Questions on Notice less than 24 hours prior to the actual commencement of Committee hearings severely limits the capacity to further research the completeness and accuracy of answers provided.
- In addition to limited time provided for questions, the avoidance tactics of Ministers who reply to questions in such a way as to evade the issue being scrutinised was a consistent theme throughout the hearings. Despite numerous follow up questions, Ministers either avoided answering questions or simply read prepared briefing notes of subjects not related to the issues raised in the questions.
- The structured nature of the Committee proceedings into blocks of questions with set times from Government and Non Government Members prevent Members being able to follow a line of questioning in a logical and consistent manner to finality.
- The inability of Estimates Committees to directly ask questions to Senior Public Service administrators.
- The pedantic nature of some Ministers in interpretation of standing orders to avoid scrutiny of the portfolio they represent.

In addition to these general comments about the Estimates Committee process, the hearings of Estimates Committee C on Thursday 12 July 2007 also highlighted the following matters on which the response of the Minister was unsatisfactory:

- The delays by the Minister in dealing with Public Servants who have allegedly conducted a biased investigation, fabricated evidence and provided false evidence during the Department's court action against Ashley McKay.

- The inability of the Minister to answer simple questions about delays in the production of Property Maps of Assessable Vegetation (PMAVs) and whether his Department had updated the Memorandum of Understanding with the Environmental Protection Agency (EPA).
- The lack of compensation provided to the landholders who bear a great deal of the environmental cost for society as a result of vegetation management laws.
- The failure of the Minister to provide detail on the land available for future water infrastructure that has previously appeared on the Department's records.
- The failure of the Minister to give Shire Councils the option to waive Stock Route agistment fees by imposing a minimum fee of \$0.00.
- The inability of the Minister to provide details about the amount of eligible irrigators under the Part A Water Tariff rebate and in particular how many irrigators are receiving 20% or less of their announced allocation.
- The failure of the Minister to justify delays of nearly four months between the announcement of new drought measures through to when producers could actually apply.
- The failure of the Minister to properly answer questions about the delays in processing applications for the Home WaterWise rebates scheme.
- The inconsistency between the amount of detail provided in answers to Government members and the lack of detail provided in answers to Non-Government questions especially the amount of money spent through the Home WaterWise Rebate Scheme broken down into Shires received. Government members received a breakdown of the \$80 million spent in South East Queensland Council areas, but when Non-Government members asked for the breakdown for the rest of Queensland, this information was not provided.
- The State Government's inadequate response to Climate Change and their inability to create a central point for the Government response.
- The claim by the Minister that Cloud Seeding Experiments had not taken place in Queensland before, particularly when a CSIRO report explained there were studies carried out in Emerald from 1972 to 1975.
- The failure of the Minister to provide compensation for those landholders paying society's environmental costs through Wild Rivers legislation.
- The failure of the Minister to outline which of the 7 extra rivers will be declared Wild Rivers in the 2007-08 year causing uncertainty amongst local landholders.

Ray Hopper MP
 Member for Darling Downs
 Shadow Minister for Natural Resources and Water

STATEMENT OF RESERVATIONS

ESTIMATES COMMITTEE C

Fiona Simpson MP
Shadow Minister for State Development, Employment and Industrial Relations
Member for Maroochydhore

I endorse the comments made by my colleague Member for Darling Downs, Ray Hopper about the significant weaknesses in the rules governing Estimates which inhibit full and proper scrutiny.

I would like to express the following specific Reservations in relation to the Estimates Committee C Report:

- It was extremely disappointing that the Minister refused to supply answers to Questions on Notice either in part or their entirety.
- This obstructive behaviour from the State Development, Employment and Industrial Relations Minister was highlighted when the material for one Question on Notice concerning Government grants to business was not answered before the hearing. The Minister only made it available in part with further requests during the hearing. Noting the limited time available to Non Government members to question the Government (approximately 45 minutes per department in Committee C), it would have been possible to have spent the entire hearing simply re-submitting questions which the Minister had refused to answer on notice. It is time that rules governing Estimates are revisited so that committee members can question public servants directly, particularly when Ministers refuse to answer simple matters of financial expenditure.
- The Minister also avoided giving direct answers to Non-Government questions about figures relating to grant allocations and the outcomes in the terms of jobs created and amount of capital investment attributable to the activities of the department. The Minister was unable to verify any of the quoted investment and jobs figures saying only that these were estimated and could not be verified for two years.
- When questioned about the support provided to small business, the Minister was unable to supply figures relating to grants for small business and seemed unsure about what number of employees actually constituted a small business.
- It was extremely concerning to hear that the Minister preferred to provide grants and incentives to large businesses with the hope that the effects would trickle down to small business. The Minister also refused to rule out that the minimum grant amounts for small business would be increased meaning many will no longer have access to these grants if they require matching funds.
- The Minister was unable to give any reassurances that regional development was a priority for the department, or that support for regional development organisations and initiatives would be maintained.
- The Minister defended the use of state taxes to support his government's political attacks on Federal Work Choices legislation in setting up the Queensland Workplace Rights Office and new Ombudsman's position. When asked direct questions, he would not advise the committee as to how much these roles were costing despite their lack of jurisdiction in Federal law.
- The Minister avoided consideration of extending the Ombudsman's role to cover the public sector and assist in addressing issues of workplace bullying, low retention rates and the increasing number of casual and temporary positions within the sector.

- Because the Minister refused or was unable to provide reasonable or detailed answers to Questions On and Without Notice, it is almost impossible to assess whether actual funding allocations for 2006/07, and budgeted allocations for 2007/08 were or will be appropriately or effectively applied.

Fiona Simpson MP

Deputy Opposition Leader

Member for Maroochydore

Shadow Minister for State Development, Employment and Industrial Relations

Shadow Minister for Small Business and Tourism