



ESTIMATES COMMITTEE D

REPORT – 2007

1. INTRODUCTION

Estimates Committee D was appointed on 23 May 2007 to examine and report on the proposed expenditure set out in the Appropriation Bill 2007 for the organisational units within the portfolios of:

- Minister for Mines and Energy; and
- Minister for Emergency Services.

The Committee conducted a public hearing on 13 July 2007, the transcript of which can be downloaded from the Queensland Parliament's website at: <http://www.parliament.qld.gov.au/Hansard/>.

Prior to the public hearing, the Committee put 20 questions on notice to each Minister. Written responses to all of those questions were received.

For the purposes of examining the proposed expenditure for the portfolios allocated to it, the Committee considered information from:

- Budget papers and Ministerial Portfolio Statements for 2007-08;
- Written responses provided by the Ministers to pre-hearing questions on notice;
- Oral evidence taken at the hearing;
- Documents tabled at the hearing; and
- Answers to questions taken on notice at the hearing.

During the course of its inquiry, the committee examined a wide range of issues, including those listed in this report.

Accompanying this report is a volume of 'Additional Information' presented by the Committee to the Legislative Assembly. The additional information includes the Ministers' answers to questions on notice asked before and during the public hearing, documents tabled at the hearing, and minutes of the Committee's meetings.

2. MINISTER FOR MINES AND ENERGY

2.1 Introduction

The Ministerial Portfolio Statement (MPS) for the Minister for Mines and Energy states that the Department seeks to deliver a world-class mining industry and a reliable, sustainable and competitive energy industry to support strong economic growth and better services for all Queenslanders.¹

2.2 Budget highlights

The total budget appropriation for the Department of Mines and Energy in 2007-08 is \$718,943,000. The MPS lists the 2007-08 budget highlights as:²

- Capital and recurrent funding of \$4.8 million allocated for rehabilitation work at abandoned mine sites in Mount Morgan and Croydon;
- \$4.2 million allocated for Queensland's contribution to the Australian Energy Market Commission and other national energy market reforms being progressed by Council of Australian Government's Ministerial Council on Energy;
- \$0.8 million allocated to further implement recommendations from the Review of the Queensland Mines Inspectorate, including reforms to mining health and safety services;
- Allocations of \$1.2 million for a Gas Installation Rebate for eligible residential customers who purchase gas appliances and \$1.7 million for the *EnergyWise* program to encourage Queenslanders in energy-efficient practices;
- \$1.8 million allocated to the *Smart Exploration Program* for geophysical data acquisition, geological mapping and data conversion and transcription projects; and
- \$8.3 million for the *Smart Mining – Future Prosperity Program* aimed at stimulating exploration investment in Queensland.

¹ *Queensland State Budget 2007-08 – Ministerial Portfolio Statement – Minister for Mines and Energy, Departmental Overview p 1-1.*

² *MPS – Minister for Mines and Energy, pp1-2 and 1-3*

2.3 Issues considered by the committee

During the course of its inquiry the committee examined a range of issues including:

Energy

- Ways to ensure the future delivery of reliable and cost competitive energy.
- CS Energy's new 750 megawatt baseload coal-fired, dry/air-cooled Kogan Creek Power Station near Chinchilla, SW Queensland.
- A 630 megawatt Origin Energy gas-fired power station to be built at Braemar in 2007.
- Capital works/expenditures of Powerlink, Energex and Ergon Energy.
- \$414 million strategy – *ClimateSmart 2050* – aimed at lowering greenhouse gas emissions.
- Renewable and low-emission energy targets, gas-fired generation, clean-coal technology, the *Renewable Energy Fund* and *Climate Change Fund*.
- Additional baseload power capacity needs for the next decade.
- Details of the new baseload power station proposals, including their location, generating capacity and fuel source.
- *The ZeroGen Project* at Stanwell Power Station to establish the first clean coal-fired baseload power station by 2012.
- The expected completion date of the 370 megawatt Townsville South power station.
- The benefits of the *Gas Installation Rebate Scheme* for households and businesses, and the benefits of gas as an energy source.
- 13% Gas Scheme which requires large electricity retailers to source at least 13% of their energy from gas-fired generation.
- Proposed increase to 18% Gas Scheme by 2020 under *ClimateSmart 2050* strategy.
- The benefits of full retail competition in the energy market and related consumer protection measures.
- Subsidies/uniform tariff for rural customers.
- Factors taken into account by the Queensland Competition Authority in its ruling of an 11.37% increase in the electricity price ceiling.
- Introduction of a voucher system for customer's facing disconnection of supply due to financial hardship and an increase to the pensioners and seniors rebate.
- Emergency response plans for electricity supply during cyclones and severe storms.
- Ergon Energy's mobile substation *Nomad 1*.
- Emergency response to restore power to Collinsville after transformers were damaged.
- Impact of the drought on the wholesale price of electricity and the security of supply.
- Probity standards for senior executives in energy government owned corporations.
- Compulsory land resumptions by GOCs.
- Tarong Power Station.
- Australia's only working geothermal power station at Birdsville and development of the State's first solar farm at Windorah.
- Future infrastructure needs for the transmission and distribution of energy.
- The Electricity Industry Code and distributors' annual network management plans and summer preparedness plans.
- Joint \$200 million Energex-Powerlink *CityGrid* project in Brisbane CBD and inner suburbs.
- The investment into future electricity infrastructure of proceeds from the sale of the retail arm of Energex, the contestable retail business of Ergon Energy and Energex's Allgas distribution business.
- *The Power to Choose the Power You Use* initiative.
- Night/Off-peak tariffs, shoulder-periods for irrigation tariffs and pool price costs.
- The Energy Competition Committee's recommendation for an independent Energy Ombudsman to be established.
- The role and powers of the new Office of the Energy Ombudsman and its predecessor the Energy Consumer Protection Office.
- Full industry funding of the Office of the Energy Ombudsman.
- Establishment of the Energy Ombudsman Advisory Council and its role in the energy consumer dispute resolution process.
- Safeguards to ensure the independence of the Energy Ombudsman from the Department and other energy entities.
- The price of new customer connections to the electricity network (customer initiated capital works), the time taken to complete the connection, and the ability of the Energy Ombudsman to investigate this practice.

Mines

- The purpose and outcome of unannounced safety audits at Queensland mines.
- Maintenance of high safety standards in mines and the role of the Queensland Mines Inspectorate in compliance monitoring, inspections and audits.
- Progress on recommendations arising from the review of the Queensland Mines Inspectorate.
- Career paths for mine inspectors.
- Rehabilitation of abandoned mine sites.
- Mine safety legislation, and targeted health and safety audits and inspections by the Queensland Mines Inspectorate.
- The whole-of-site approach to inspections.
- Investigations of fatal accidents at mine sites.
- The Safety in Mines Testing and Research Station (SIMTARS) of the Department of Mines and Energy and its design of a range of gas-monitoring systems technology, used in most of Queensland's underground coal mines and exported overseas.
- SIMTARS research projects into the issue of fatigue in the mining industry.
- Fatigue audit and self-audit programs.
- A review of how annual mine safety statistics are reported.
- Targets for mining audits and inspections.
- Government policy on uranium mining in Queensland.
- *Smart Exploration* and *Smart Mining* Programs and steps taken to stimulate exploration and mining investment in Queensland.
- Income generated from coal royalties and its use in research for clean coal technology.

3. MINISTER FOR EMERGENCY SERVICES

3.1 Introduction

The Ministerial Portfolio Statement (MPS) for the Minister for Emergency Services states that the Department is responsible for ensuring the delivery of essential emergency services statewide, and for the administration of an effective disaster and emergency management system.³

3.2 Budget highlights

The total budget appropriation for the Department of Emergency Services is \$576,638,000. This compares to an appropriation of \$414,383,000 in the 2006-07 State Budget.

³ *Queensland State Budget 2007-08 – Ministerial Portfolio Statement – Minister for Emergency Services, Departmental Overview, p1.*

The MPS⁴ lists key investments for the Department in 2007-08 as including:

- Investment of \$206.4 million in capital acquisitions, including an investment of \$41.7 million (as part of an allocation of \$70.4 million over two years) to build a state-of-the-art Integrated Communications and State Emergency Operations Centre as part of the Kedron Park complex, to replace the ambulance and fire communications facilities in Brisbane and the South-East Region.
- Employment of an additional 250 ambulance officers across the State in 2007-08.
- The investment of \$26.6 million in 2007-08 to purchase three state-of-the-art helicopters for aeromedical, search and rescue, and counter-disaster operations.
- The commission of over 140 new ambulances.
- \$4.7 million in 2007-08 to enhance the Department's capacity to respond to Chemical, Biological and Radiological Incendiary Explosives incidents.
- The investment of \$18 million in 2007-08 to expand the Queensland Combined Emergency Services Academy.

3.3 Issues considered by the committee

During the course of its inquiry the committee examined a range of issues including:

- The recruitment of an extra 250 ambulance officers.
- Response times for code 1 emergency cases.
- Benefits of the new 132 500 emergency services contact number.
- Compulsory smoke alarms legislation and measures taken by the Department to ensure all Queenslanders install smoke alarms.
- The Queensland Combined Emergency Services Academy at Whyte Island, Brisbane.
- The building of a new Integrated Communications and State Emergency Operations Centre at the Kedron Park emergency services complex.
- Workplace safety, bullying, harassment and whistleblower protections.
- The 24-hour *Priority One* counselling service.
- Fire officers delivering medical assistance if first to arrive at the scene of an emergency.
- The purchase of 140 new ambulance vehicles.
- Capital investment in ambulance stations.

⁴ *See MPS – Minister for Emergency Services, pp 1-5.*

- The purchase of 240 new defibrillators and acceleration of existing replacement program.
- Staff separations from Queensland Ambulance Service.
- Background/security checks for foreign-trained paramedics commencing work in Queensland.
- Succession planning for the retention of senior paramedics.
- Issues for paramedics in isolated communities.
- The replacement of paper records with laptop computers for paramedics to record incidents and patient details.
- Completion of the Roma Street joint emergency services facility.
- iZone preparations for the 2007 bushfire season.
- Enhancements to spatial information and mapping capacity to assist in the preparation for cyclones and storm surges.
- Informing communities about cyclone preparation, the *Safeguarding Cyclone Communities* initiative, and the *Prepare, Stay and Defend, or Go Early* policy.
- Update on repairs to the Beaconsfield fire station.
- Support delivered to emergency services personnel who attended the Narangba fire.
- The number of managerial and operational staff at 30 June 2006 and 30 June 2007.
- How the \$2.1 million allocated for the Volunteer Marine Rescue Association of Queensland and the Australian Volunteer Coast Guard Association benefits boaties.
- The *Rural and Remote Task Force* to enhance service delivery to rural and remote communities.
- The fire brigade call-out fee for false alarms.
- The potential impact of traffic growth and emergency service station closures on emergency service response times.
- Certification requirements for community rescue helicopters and funding of helicopters.
- The sale of the Bell 412 helicopters.
- \$360 million in 2007-08 for the Queensland Fire and Rescue Service, including 22 new fire appliances and 10 support vehicles in urban areas and 36 rural fire appliances and five trailers as part of the rural appliance modernisation program.
- New urban incident support vehicle with breathing apparatus and hazardous materials control.
- Training of young people in first aid and CPR.

- Implementation of the Emergency Services computer aided dispatch system, improvements to the Queensland Ambulance Service electronic ambulance report form system, the new operational management system for firefighters, and improvements to the departmental radio data and communications networks.
- Expenditure on State Emergency Service volunteers and Rural Fire Service volunteers.
- Construction of additional rural fire brigade stations.
- Changes in roster times at the Charters Towers' ambulance station.
- Protocols to protect ambulance officers and paramedics during call-outs to mentally-ill persons.

4. RECOMMENDATION

Estimates Committee D recommends that the proposed expenditures, as set out in the Appropriation Bill 2007, for the organisational units within the portfolios allocated to the Committee, be agreed to by the Legislative Assembly without amendment.

5. ACKNOWLEDGMENTS

The Committee thanks the Ministers and departmental officers for their cooperation and assistance throughout the estimates process.

Vicky Darling MP
Chair

August 2007

MEMBERS

Ms Vicky Darling MP (Chair)
Mr Ted Malone MP (Deputy Chair)
Mr Stirling Hinchliffe MP
Ms Jan Jarratt MP
Mr Shane Knuth MP
Mr Andrew McNamara MP
Mrs Dorothy Pratt MP

SECRETARIAT

Ms Renée Easten, Research Director
Ms Alice Hutchings, Executive Assistant

The transcript of the committee's public hearing is available on the Hansard web page at:
<http://www.parliament.qld.gov.au/Hansard/>

Statement of Reservations

ESTIMATES COMMITTEE D

Ms. Darling MP
Chair
Estimates Committee D

Dear Ms. Darling

I refer to the draft report for Estimates Committee D 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 Program 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 Program 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 direct 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.

- The integrity of the Estimates Committee process is grossly compromised due to amendments made to the *Criminal Code Act 1899* (Qld) in June 2006, which abolished the crime of knowingly providing false evidence to the Legislative Assembly or a committee.

Mines and Energy

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

- Despite a recent price rise of 11.37%, the Minister would not rule out further increases to the uniform tariff for small consumers this year. While electricity consumers in the south-east who have signed contracts will be protected for at least 12 months, those small consumers outside the south-east will remain vulnerable to further price increases.
- In direct contrast to previous announcements by the Minister and the Premier of the benefits of the Introduction of Full Retail Competition, small consumers in non-contestable areas outside the South East will receive little to no benefit from the introduction.
- The Minister could not or would not confirm that electricity prices would fall when the drought breaks, despite blaming the massive recent increases on the drought.
- The Minister was unable to confirm a firm date for the commissioning of the Townsville South power station that was originally expected to be on line by late 2009.
- The Minister conformed that investigations into introducing shoulder rates for night tariff 62 had been carried out.
- The Ministers confirmed that the government would not be funding the new Energy Ombudsman's position and Office; instead it is to be funded by a levy on retailers, the cost of which can then be passed on from retailers directly to consumers.

Shane Knuth MP

Shadow Minister Mines and Energy

Emergency Services

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

- The time allocated to properly examine the Emergency Services budget of over \$800 million dollars is grossly inadequate.
- The number of questions allocated to the emergency services portfolio meant an analysis of the expenditure and the items raised in the ministerial portfolio statement was inadequate.
- The Estimates Committee was not given enough time to pursue, in detail, a line of questioning or make comments, that may arise out of the ministers reply. This includes appropriate interjections from the committee as well as sub-questioning, which is not limited by time.
- The emergency services portfolio lacked transparency, given that there are seven regional command within three departments and a number of separate statewide commands, this budget breakdown is not provided in the portfolio statements and makes it difficult to properly assess the allocation of funding to particular areas and commands and again lacks any real accountability. This issue could be addressed if far more time was allocated to go through each of the particular areas of the emergency services portfolio.
- The use of ‘Dorothy Dixers’ by government members of the committee makes a complete farce of the entire process, these questions in no way scrutinized the budget statement or documents and further added to the overall lack of accountability to the whole process.
- The removal of ministerial accountability and legalisation of lying in Estimates meant that the Emergency Services minister did not directly answer questions with regards to certain budget issues.

TED MALONE MP
Member for Mirani
Shadow Minister for Emergency Services
Shadow Minister for Northern Development