



Estimates Committee F

2009

Report to the Legislative Assembly

Introduction

1. The Legislative Assembly appointed Estimates Committee F on 4 June 2009 to examine and report on the proposed expenditures contained in the *Appropriation Bill 2009*.
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 Tourism and Fair Trading
 - the Minister for Local Government and Aboriginal and Torres Strait Islander Partnerships
 - and the Minister for Transport.
3. The committee conducted a public hearing on Wednesday, 22 July 2009 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
 - written responses provided by ministers to the committee's questions on notice prior to the public hearing
 - documents tabled 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, 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 Tourism and Fair Trading

7. The Tourism and Fair Trading portfolio consists of Tourism Queensland, the Office of Fair Trading (OFT) and the Office of Liquor, Gaming and Racing (OLGR) and statutory authorities and other organisation units that report to the Minister.
8. The following table details the appropriation for 2009-10 compared to the previous financial year.

	2008-09 \$'000	2009-10 \$'000
Controlled Items		
<i>Departmental Services</i>	13,998	55,561
<i>Equity Adjustment</i>	232	(905)
Administered Items	10,175	56,376
Vote	24,405	111,032

Source: *Department of Tourism and Fair Trading*

9. The following is a summary of the relevant output costs for 2009-10:

2009-10 Output Summary	2009-10 \$'000
Liquor, Gaming and Racing	51,608
Fair Trading (including Tourism)	50,360
Total	101,968

Source: *State Budget 2009-10, SDS Book 2, p. 2-19.*

Office of Fair Trading and the Office of Liquor, Gaming and Racing

10. The Service Delivery Statements (SDS) (at 2-3) states that the Offices of Fair Trading and Liquor, Gaming and Racing are part of the Department of Employment, Economic Development and Innovation (DEEDI) and are responsible for overseeing the effective development, implementation and monitoring of regulatory frameworks. The OFT encourages marketplace integrity, protects consumers and fosters business and consumer confidence. The OLGR focuses on ensuring community confidence in the integrity and probity of the liquor, gaming and racing industries, including harm minimisation initiatives.

Budget highlights

11. Key funding initiatives in 2009-10 include (SDS 2-8):

- implementing, monitoring and reviewing the impact and effectiveness of the liquor and gaming reforms
- reviewing the outcomes of liquor and gaming interventions for Indigenous Australians
- working collaboratively at the national level to progress the national agenda on liquor and gaming, with a focus on harm minimisation
- monitoring racing control bodies to maintain compliance with the *Racing Act 2002* and assisting control bodies to continue to improve animal welfare, drug control and integrity practices and procedures
- involvement in the COAG reform agenda.

Issues considered by the committee

12. The committee considered a range of issues including:

- cost of amalgamating OFT and Tourism into DEEDI
- cost of staff travel in 2008-09
- costs of office renovations and upgrades to equipment and resources in 2008-09
- income and expenditure details for OFT and OLGR
- regulation of door-to-door trading with particular reference to the insulation industry
- time taken to resolve Fair Trading conciliations and disputes
- breaches of the *Property Agents and Motor Dealers Act 2000* and claims for compensation
- upgrade of the Fair Trading Licensing system
- amendments to the *Security Providers Act 1993* with reference to deterring bribery
- the Get Out There interactive web site and the new Fair Trading web site
- the No Interest Loan Scheme

- role of the OFT in the inbound tourism sector
- examples of the OFT's Redress for Consumers
- funding for monitoring and removal of the fuel subsidy
- the impact of the fuel discount by Coles and Woolworths on their grocery prices
- details of recommendations from the Service Delivery and Performance Commission's report
- lot entitlements under the *Body Corporate and Management Act*
- funding and harm minimisation measures in the areas of liquor, gaming and racing in communities
- funding for responsible drinking programs for young people
- liquor licences for late-night trading
- liquor licensing in Indigenous communities
- monitoring compliance by liquor licensing staff
- consulting community groups regarding the reconfiguration of 460 gaming machines, and funding for the upgrade
- the economic status of the Queensland racing industry and measures taken to remain competitive with interstate racing industries
- cost of investigations into racing facilities at Palm Meadows and Wadham Park
- borrowing costs for racing control bodies
- decision to abolish the Gold Coast Racing Club
- process for electing candidates to the Queensland Racing Board.

Tourism Queensland

13. The SDS at 2-3 states that Tourism Queensland is part of DEEDI and is responsible for engaging key stakeholders and promoting job growth and strong economic development in the sector.

Budget highlights

14. Key funding initiatives in 2009-10 include (SDS 2-8):

- reviewing the Queensland Tourism Strategy (QTS) 2006-2016

- implementing the *Tourism Network Review* reforms, through:
 - establishing a central pool of funds of \$1 million per year for three years commencing in 2009
 - establishing a regional network responsible for tourism investment and infrastructure development within each of the seven new tourism zones.
- providing a \$36 million package over three years commencing 2009-10 to Protect Tourism Jobs to facilitate a new regionally focused tourism marketing and product development campaign
- providing an additional \$1.8 million over three years commencing 2009-10 for roadside infrastructure for the drive travel market
- progressing the *Tourism in Protected Areas* initiative
- convening a Ministerial Forum within six months comprising Ministers from each of the key portfolios that impact tourism.

Issues considered by the committee

15. The committee considered a range of issues including:
 - funding arrangements for tourism in 2009-10 including promotional activities
 - protection of tourism jobs
 - staff morale
 - Tourism Queensland's cooperative investment in marketing campaigns
 - multiplier effect of tourism marketing dollars from campaigns, such as Too Easy and Bonus Break
 - progress of the *Tourism Network Review* recommendations
 - Tourism Queensland's Best Job in the World campaign
 - cost of and expected ecotourism revenue from the Tourism Queensland's landmark sustainability project
 - delivery of the QTS action items
 - sale of Sunlover holidays and the tender process
 - assistance and funding for regional tourism organisations

- expansion of airline activity in Queensland
- viability of tourism on the Gold Coast and in Cairns
- procedure for complaints regarding international and regional tourism offices
- cost of promoting Queensland and setting up a Tourism Queensland office in New Zealand.

Minister for Local Government and Aboriginal and Torres Strait Islander Partnerships

Aboriginal and Torres Strait Islander Partnerships

16. The SDS at 3-3 states that the Aboriginal and Torres Strait Islander Partnerships (ATSIP) is part of the Department of Communities and its services include working with Aboriginal and Torres Strait Islander Queenslanders to affirm their cultures and reduce the gap in life outcomes and assisting all Queenslanders to benefit from reconciliation.
17. The following table details the appropriation for 2009-10 compared to the previous financial year.

	2008-09 \$'000	2009-10 \$'000
Controlled Items		
<i>Departmental Services</i>	40,618	65,285
<i>Equity Adjustment</i>	7,615	2,235
Administered Items	0	0
Vote	48,233	67,520

Source: Department of Local Government and ATSIP

18. The following is a summary of the relevant output costs for 2009-10:

2009-10 Output Summary	2009-10 \$'000
ATSIP	83,198
Total	83,198

Source: State Budget 2009-10, SDS Book 3, p. 3-18.

Budget highlights

19. Key funding initiatives in 2009-10 include (SDS 3-3 and 3-4):
 - implementing the national Indigenous reform agenda to 'close the gap' on Indigenous disadvantage and to meet six key targets across health, education,

economic participation, housing and early childhood development

- a cross-agency approach to ensure that all discrete Aboriginal and Torres Strait Islander (ATSI) communities will have a place based, coordinated and sequenced land development and land use program
- finalising the \$55.4 million commitment to the *Indigenous Wages and Savings Reparations Scheme*, ensuring all eligible claims have been paid
- maintaining momentum and continuing to implement the *Cape York Welfare Reform* and alcohol reform initiatives
- implementing a whole-of-Government Reconciliation Action Plan.

Issues considered by the committee

20. The committee considered a range of issues including:

- budget and actual expenditure of ATSIP government grant and subsidy programs
- funding for the Torres Strait Island Regional Council
- funding provided to the Department of Indigenous Affairs, Western Australia
- the coordination of government service provision in remote Indigenous communities
- initiatives under the Closing the Gap program
- coordination of actions to improve living conditions and reduce the cost of living in the Torres Strait
- results in the latest *Quarterly Report on Key Indicators in Queensland's Discrete Indigenous communities*, particularly trends in school attendance
- Kowanyama's government retail store
- the placement of a facilitator in consultation with the Mona Mona people
- the Queensland ATSI Foundation and its impact on educational opportunities for young Indigenous Queenslanders
- the Remote Indigenous Land and Infrastructure Program Office
- staffing requirements, costs and performance measures for the wellbeing centres

- establishment of the Queensland ATSI Advisory Council
- key goals and projects of the *Reconciliation Action Plan 2009-12*
- roll out of the Families Responsibilities Commission in Hope Vale
- initiatives of Negotiation Tables.

Local Government Group (DIP)

21. The SDS at 2-118 states that the Local Government Group is part of the Department of Infrastructure and Planning (DIP). In partnership with local governments, the state government helps shape and support an efficient, effective and sustainable local government system in order to plan, facilitate, deliver and coordinate strategic land use and major infrastructure projects and initiatives across Queensland.

22. The following table details the appropriation for 2009-10 compared to the previous financial year.

	2008-09 \$'000	2009-10 \$'000
Controlled Items		
<i>Departmental Services</i>	616,507	565,581
<i>Equity Adjustment</i>	8,692	..
Administered Items	398,332	378,684
Vote	1,023,531	944,265

Source: Department of Local Government and ATSIP

23. The following is a summary of the relevant output costs for 2009-10:

	2009-10 \$'000
Local Government	571,788
Total	571,788

Source: State Budget 2009-10, SDS Book 2, p 2-122.

Budget highlights

24. Key funding initiatives in 2009-10 include (2-119 and 2-120):

- Implement planning reform initiatives outlined in *Planning for a Prosperous Queensland: A reform agenda for planning and development in the Smart State*, including supporting local governments to prepare new planning schemes

- support local governments in preparing Priority Infrastructure Plans and development of a framework for state infrastructure policy and contributions
- Shape and support an efficient, effective and sustainable local government system through:
 - the new, capped grant and subsidies scheme, which will provide infrastructure assistance for councils with limited financial resources. Existing commitments under the ceasing program, including high priority sewerage treatment plant upgrades totaling \$437.9 million will be honoured.
 - evaluating and monitoring the performance of councils through a new statewide performance measurement and reporting system, in accordance with the National Frameworks for Local Government Sustainability.
 - implementing a modern and efficient legislative framework, including the new *Local Government Act* and its regulations, and the revised *City of Brisbane Act*, which is planned to be in operation by December 2009 and a new *Local Government Electoral Act*, which is planned to be in operation by December 2010.
- departmental responses to council submissions on amalgamation costs
- the issue of wage equalisation as part of council amalgamations
- status of Queensland councils' budgets
- Queensland Councillors salaries, fees and allowances
- status and expenditure of local government grant and subsidy programs
- the criteria and consultation process for the new capped water and sewerage subsidy scheme for councils
- funding for Cairns, Tablelands and Cassowary Coast Regional Councils for water and sewerage upgrades
- other projects undertaken by the Cassowary Coast Regional Council
- funding of municipal services for Queensland's Indigenous Councils as part of the State Government Financial Aid Program
- funding to local governments for road, sewerage and drainage projects
- funding program under the *Rural Living Infrastructure Program*
- the *Smaller Communities Assistance Program*
- Q150 initiatives in far north Queensland
- environmental outcomes of the Major Infrastructure Program in the Torres Strait
- funding programs for Show Societies, particularly for rural and regional communities
- the Inaugural Financial Management and Sustainability Workshops.

Issues considered by the committee

25. The committee considered a range of issues including:
- Local government reform program
 - outline of the legislative framework under the new *Local Government Act 2009* and consultation in its development
 - overview of the *Local Government Electoral Act*
 - review of the *City of Brisbane Act*
 - the *Animal Management Act*
 - breakdown of departmental taxes, fees and fines
 - the impact of the Public Service restructure on funding for the local government group

Minister for Transport

Queensland Transport

26. The SDS at 2-172 states that Queensland Transport has been established to plan, manage and oversee the delivery of a safe, efficient and integrated transport system that supports sound economic, social and environmental outcomes in Queensland.

27. The following table details the appropriation for 2009-10 compared to the previous financial year.

	2008-09	2009-10
	\$'000	\$'000
Controlled Items		
<i>Departmental Services</i>	401,204	1,392,466
<i>Equity Adjustment</i>	88,081	638,611
Administered Items	652,070	1,536,149
Vote	1,141,355	3,567,226

Source: Department of Transport and Main Roads

28. The following is a summary of the relevant output costs for 2009-10:

2009-10 Output Summary	2009-10
	\$'000
Rail, Ports and Aviation Systems	740,358
Integrated Transport Planning	74,548
Road Use Management	275,804
Martime Safety	114,954
Public Transport Services	364,196
Total	1,569,860

Source: State Budget 2009-10, SDS Book 2, p 2-182.

Budget highlights

29. Key funding initiatives in 2009-10 include (SDS 2-173):

- As part of the *South East Queensland Infrastructure Plan and Program*, which aims at catering for population growth and managing traffic congestion, the following major projects are included:
 - \$171.8 million towards construction of the Northern Busway between Enoggera Creek and Kedron
 - \$138.2 million for the construction of the Eastern Busway connection between Buranda and Main Avenue at Coorparoo
 - \$135 million towards the Gold Coast Rapid Transit System project which involves delivery of stages of a light rail project from Parkwood to Broadbeach
 - \$37.8 million towards construction of the Eastern Busway: Princess Alexandra Hospital to Buranda
 - \$13.2 million to complete the Transit Oriented Development project being

delivered in parallel with the new Varsity Lakes rail station.

- Other major capital projects include:
 - \$43.1 million towards the new Queensland driver licence project
 - \$12.7 million commitment provided under the *Urban Congestion Program* to implement a number of new strategies to reduce urban congestion on arterial roads across South East Queensland (SEQ).
- \$14.5 million for a detailed feasibility study for Inner City Rail Capacity Upgrades to identify the upgrade requirements of the inner city rail network to cater for future passenger and freight demand.

Issues considered by the committee

30. The committee considered a range of issues including:

- the quantum and source of funds/revenue received by Queensland Rail
- funding of passenger rail services in Queensland and the delivery of new three-carriage passenger trains
- the sale of Queensland Rail
- the coal infrastructure network and future capacity for expansion
- the audit of maintenance and safety upgrades on the freight, coal and passenger network
- funding and completion dates by section for the North Coast Rail Line
- update on the Gold Coast Rapid Transit Project
- level crossings in SEQ
- progress on the Petrie to Kippa-Ring rail line project
- the Inner City Rail Capacity Upgrade feasibility study
- revenues and liabilities for all Transport Government Owned Corporations (GOCs) for the last three financial years
- the number of and budgetary issues related to Queensland Transport staff, including GOCs
- total payment of public transport subsidies outside SEQ

- local governments' contribution to public transport in SEQ
- funding for Brisbane Transport
- the SEQ Infrastructure Plan and Program transport projects
- status of current planning projects under Integrated Transport Planning
- funding for the TransLink Transit Authority's Transport Network Plan, and the number of buses and trains on the network
- the new service agreement between the TransLink Transit Authority and Queensland Rail
- the Western Brisbane Transport Network Investigation
- vehicle registration costs
- new vehicle emission standards
- the status of the New Queensland Driver Licence project
- the TravelSmart program
- the new Road Safety campaign, Share My Story
- the roll out of the Go Card ticketing system
- investment in new cycling infrastructure, particularly in Cairns
- reforms to improve standards in the taxi industry
- measures to address fare evasion on public transport
- funding and benefits of busways, including reducing greenhouse gases
- funding for urban bus services
- new commuter car parks across the SEQ public transport network
- the urban congestion strategy, in particular the Flexible Workplace Trial and the Brisbane Central Pilot
- patronage on regional public transport services
- public transport on the Sunshine Coast
- public transport services between the Atherton Tablelands and Cairns
- the *Pacific Adventurer* oil spill
- the sale of Port of Brisbane
- \$4 million investment into the Port of Thursday Island
- boating registration fees

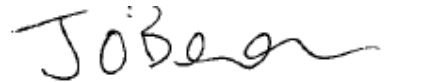
- investment in boating infrastructure to support recreational fishing
- the availability and cost of public transport boat and air services to the Torres Strait Islands
- funding for rural and remote airstrips, particularly Horn Island airstrip.

Recommendation

31. The committee recommends that the proposed expenditure, as detailed in the *Appropriation Bill 2009* for the organisational units and portfolios allocated to it, be agreed to by the Legislative Assembly without amendment.

Acknowledgements

32. The committee thanks ministers and their staff for their cooperation and assistance during the estimates process.
33. 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 2009

COMMITTEE MEMBERS

Mr Jason O'Brien MP (Chair)
Member for Cook

Mr Howard Hobbs MP (Deputy Chair)
Member for Warrego

Ms Di Farmer MP
Member for Bulimba

Mr Rob Messenger MP
Member for Burnett

Ms Mary-Anne O'Neill MP
Member for Kallangur

Mr Curtis Pitt MP
Member for Mulgrave

Mr Ray Stevens MP
Member for Mermaid Beach

SECRETARIAT

Ms Rachelle Stacey (Research Director)
Ms Margaret Telford (Research Officer)



Estimates Committee F

2009

Statements of Reservation

SHADOW MINISTER FOR TOURISM, FAIR TRADING AND RACING
MR RAY STEVENS MP
STATEMENT OF RESERVATIONS –TOURISM, FAIR TRADING, LIQUOR, GAMING
AND RACING
ESTIMATES COMMITTEE F 2009

In this report I would like to place on record my observations of the Tourism, Fair Trading, Liquor, Gaming and Racing Public Hearing as part of Estimates Committee F for the year 2009.

The concerns I have will explore discrepancies in the process, content and application of the Public Hearing program and execution of the general estimates process.

Firstly I would like to bring to the Committees attention the major disruption to the changeover of the Portfolio area from Tourism Queensland to Aboriginal and Torres Strait Islander Partnerships which caused extreme inconvenience and reduced the time limit for questions to the Minister for Local Government and Aboriginal and Torres Strait Islander Partnerships. The changeover of staff would be best suited to coincide with the refreshment breaks.

I would also like to make comment on how most answers given by the Minister for Tourism, Fair Trading and Racing were read from prepared departmental documents and had no or very little relevance to the questions.

There should be specific guidelines that stipulate that the answer to the question must be relevant to the question asked instead of regurgitating Government PR propaganda every time a question is asked by a member of the committee. The Standing Orders should incorporate requirements of how the questions should be answered, just as they clearly define how questions must be asked otherwise there is no point in having the estimates process.

The Government “Dorothy Dixers” are merely propaganda opportunities designed to limit the questioning time of Opposition members seeking relevant and vital information for the protection of the public and media interest. A higher weighting in time for questioning must be given to non-Government members

FAIR TRADING

The 15% of uncompleted conciliations question that I asked the Minister was not answered but instead he proceeded to tell me about the complaints received from people in the Mermaid Beach electorate which had no relevance to the question I asked in relation to the 15% of conciliations that have not been completed within the time frame of 30 days where I stated *.....how long have they been ongoing, what is the reason for these outstanding conciliations and disputes that have not been settled.....*(Ref, p. 3 Public Hearing Transcript)

The Fair Trading and BSA issue relating to Coral Coast Homes was raised and nothing has been finalised for the victims of the collapse of this business. A solution needs to be found and agreement with all parties need to happen as soon as possible.

The question in relation to Security Bouncers having international police checks was not known by the Minister but it was confirmed that this international check was not done as part of the SCRAM system.

Compliance operations of Security Providers resulted in only one prosecution which I find difficult to believe as there were 106 official warnings and 144 infringement notices.

Policing of the Fuel Subsidy Removal was highlighted when I asked how much is the policing component that the Department of Fair Trading will expend to monitor service stations. The Minister was unable to advise me of any amount committed to this very important responsibility of his Department.

The question about Coles and Woolworths increasing their prices to pay for the 40c discount on fuel was buck passed by the Minister as the responsibility of the Australian Consumer and Competition Commission (ACCC) whereas policing of increases higher than normal on goods and services is actually the responsibility of Department of Fair Trading in Queensland. The only advice that the Minister gave was for consumers to be wary of any increases.

GAMING

The issue of the Gaming Community Awareness Funding was raised as considering the size of the industry, the percentage of funding spent on gaming community awareness is small.

Gaming machines accepting \$50 and \$100 notes is an issue that I raised because of the conflict between the Minister and the Premier on the subject. I also presume that this change to the Gaming machines has been in the pipeline for some time and I question the breakdown in communication between the Premier and the Minister as it appeared she did not know of the change until it happened. The Minister gave no answer at all into which community groups had been consulted about the change in policy to accept \$50 and \$100 notes.

RACING

Whether the Minister agreed with the Greyhound Control Boards decision to abolish Gold Coast Racing Club was a question I asked but he failed to answer. The Gold Coast Racing Club had to vacate the premises and no other arrangements have been made to help the Club out in the meantime while discussion is taking place about a new track at Logan.

The selection process of the Queensland Racing Board candidates was the other Racing question I asked and the Minister assured me that the process of appointments was not flawed.

LIQUOR

The question relating to Alcohol restricted areas was yet again another question that was not appropriately answered by the Minister. A short answer was given later on in the public hearing that did not go anywhere near answering the question appropriately.

TOURISM

I raised the issue of Sunlover Holidays where no tenders were called which is a major concern that I believe the Government needs to address with future sales of Government funded assets. The agreement with the AOT Group to only use the Sunlover Holidays brand exclusively in promoting Queensland only until 30 June 2011 is a concern as the brand is distinctly renowned as relating to travel and the promotion of travel to Queensland.

I note here that this is a whole of Government issue and I wonder how many other Government asset have not gone out to tender.

A question on the New Zealand market that I asked explored the issue that the promotional international spend of the New Zealand market was minimal compared to the output this specific market gives back to Queensland. As the New Zealand market is 26% of the Queensland overall international tourism market it needs to be supported by a significant spend on our biggest market.

The completion of the Queensland Tourism Strategy initiatives and the recommendation the Williams report suggested that 78 actions need to be delivered within the first four years and that only 30 have been completed. The Minister explained that 70 of these are the responsibility of Tourism Queensland and 63 have been completed.

I believe that under the current economic downturn and Tourism crisis in Queensland a sense of urgency with these initiatives to ensure support to industry from the leading Government agency is heightened and sorely needed. A focus on the Queensland Business Events Development Strategy, the Arts and Cultural Tourism Strategy and research to evaluate the economic contribution and effectiveness of tourism marketing activities needs to be fast tracked.

The transfer of the Regional Tourism Organisations funding to and from the Department to Tourism Queensland was not answered by the Minister as his answer had no relevance to the question I asked.

The \$12 million per annum the Premier announced which was not in the Tourism budget papers and not in the Departmental budget papers and which the Minister explained was a promise that still has to go to Cabinet for approval in September. My concern is if this financial election promise is not approved by Cabinet then this will be a major blow to the Tourism Industry in Queensland. The other concern I have is that the Minister has explained that*Tourism Queensland is already spending the money, effectively designing campaigns, promotions and so on.....* (Ref: p. 23, Public Hearing Transcript) when they clearly don't have the money.

Finally I would like to thank the Minister, Departmental Staff of Tourism, Fair Trading, Liquor, Gaming and Racing, and Tourism Queensland for their preparation of their portfolio areas and Parliamentary staff assigned to Estimates Committee F for their efficient and professional handling of the Estimates process.

A handwritten signature in black ink, appearing to read 'R. Stevens', written in a cursive style.

Mr Ray Stevens MP
Shadow Minister For Tourism, Fair Trading and Racing
State Member for Mermaid Beach

STATEMENT OF RESERVATION

Local Government, ATSI Partnerships Transport

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

General comments on the Estimates Process

The Estimates Process is the greatest opportunity for parliamentary scrutiny of Government appropriations in a unicameral system and it is unfortunate the process does not allow for well considered deliberations by parliamentary committees such as this one.

The inherent processes of the Estimates process fail to provide the level of scrutiny of the Government's use of taxpayer's money.

The limited number of questions without notice allocated to each Minister fails to ensure that committee members have the opportunity to prepare adequately for the Committee's hearings particularly in areas where the budget papers provide very little information.

The limiting of information to these Estimates Committees, both in terms of the limited useful information in the Budget Papers, as well as the limited number of questions on notice does not in any way assist the committee's work.

In addition to the information available to the committee prior to the committee's hearings there is limited time for members of the committee to gain detailed information from Ministers during the process.

During this session there has been a continuance of the disturbing trend of Ministers failing to answer specific questions from some committee members, instead giving a very general answer, which had been pre-prepared, about Government directions or policies.

As a result I have very significant reservations about how informed the Committee's report is.

In addition to these general comments about the Estimates Committee process the hearings of Estimates Committee F on 22nd July 2009 also highlighted the following matters on which the response from the Minister was unsatisfactory.

LOCAL GOVERNMENT

(The following comments relate to the Portfolio Budget Estimates for the Department of Local Government and Aboriginal & Torres Strait Islander Partnerships.)

The Minister failed to acknowledge that Queensland Councils have been financially impacted due to the sudden and unexpected cutting of Grants and Subsidy Programs. The integrity of the Estimates Committee process is grossly compromised by the 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 committee.

The Minister was being untruthful with Councils and the public when answers from the Department indicate the programs have been cut and approved projects not honoured.

The Minister repeatedly refused to answer repeated questioning about the pre-election ALP commitment to maintain current levels of funding for grants and subsidy programs in response to the LGAQ 10-point plan, which was subsequently breached when, without warning, the \$25 million road and drainage subsidy scheme discontinued immediately, rising to more than \$100 million per annum by 2011 removed Local Council budget, due to the introduction of a much lowered cap for the subsidy scheme for water and sewerage infrastructure (capped at \$45 million.)

The Minister also advised \$36.9 million of lapsed funds under the grants and subsidy schemes will now be redirected to other councils. The Minister repeatedly advised the Estimates Committee *"The great majority of these projects go back over three years since their approval."* (Boyle, Hansard 22 July 2009 p34).

Consideration of the list tabled by the Minister does not appear to bear out this assertion. \$15.4 million of the \$36.9 million or 42% of the lapsed funds were for projects that were approved less than three years before 2009 Budget was tabled. None of these projects had received more than half their allocated funds and only seven had received any funds at all. As the proposal to enforce sweeping amalgamations was only announced in early 2007, much of this time as well as council resources have been focussed on the new structure the Opposition believes councils have not been given adequate opportunity to progress these projects.

It should also be noted that while the Minister attested that *“What we come back to are projects that councils have not communicated to us about, that have been sitting on the shelves for years before any amalgamations and which have not gone ahead”* (Boyle, Hansard 22 July 2009 p35) and *“Councils that have planned, approved projects and that have been in touch with the department are having these commitments honoured”* (Boyle, Hansard 22 July 2009 p41). The opposition has been informed, on a confidential basis, of councils that had been in contact about their projects, but this communication was not taken into consideration.

The Opposition would also like to place on record our concern that criteria for the new capped subsidy scheme for councils is not yet available, as per the advice from the Minister in her evidence to the Committee. This further indicates that no sincere consideration was given to improving the program only to cut it and work out the details later. Meanwhile councils are left in limbo trying to plan future developments and upgrades with no certainty of assistance or approval.

ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS

The Ministers failure to answer Questions On Notice relating closely to Aboriginal and Torres Strait Islander programs that come under the same Departmental cluster, claiming they came under the responsibility of a Cabinet Colleague yet take credit for the similar programs in answers to questions on notice from Government Members.

The Minister's failure to recognize the high cost of living and disadvantage in the Torres Strait and Indigenous Communities and only defend ongoing budget programs and talk fests that have not delivered substantive outcomes on the ground.

In addition the Opposition would like to place on notice that the tabling of the *Quarterly report on key indicators in Queensland's discrete Indigenous communities - January – March 2009* and the *Family Responsibility Commission - Quarterly Report #3* on the day of the department's estimates hearing prevented proper scrutiny and questioning of the minister regarding programs she is directly responsible for.

TRANSPORT

Merger – Department of Transport and Main Roads

(The following comments relate to the Portfolio Budget Estimates for the Department of Transport.

Please note I am providing the following Statement of Reservation on behalf of my colleague, Shadow Minister for Transport and Main Roads, Ms Simpson, who was a guest at the Estimates Committee F hearing)

The LNP supports the merger of the departments of Transport and Main Roads as this was our policy before the last State election. The merger has the potential to address some of the issues plaguing Queensland's transport network such as poor planning, substandard project management and lack of coordination. Ultimately however the answer to these issues will be the quality of leadership as this will have a stronger impact than structure alone.

On this question of leadership, the estimates process and the structure of the merger is found wanting. It was unfortunate the Committees examining the statements presided over of the Ministers for Transport and Main Roads were separated. This is a merger with two ministers and a lack of clarity about who does what. It should be recognised that the division of responsibilities between Ministers has not been clearly and publically enunciated, despite requested clarification as recently as the during the committee hearings. That, combined with the time pressures enforced by the limited examination time, resulted in less than optimal outcomes for the consideration of the combined estimates.

Such confusion is evidenced by the fact that neither the Minister for Main Roads or Transport were able to answer questioning by the opposition on the impact of the merger on staff costs and the impact of aligning divergent Enterprise Bargaining Agreements. It should be noted these questions remain unanswered to a satisfactory level.

In addition LNP members would like to place on record their concern that only 15 minutes was allocated to the examination of Queensland Rail by non-government members. This is a patently inadequate time to properly consider such a complex issue as the proposed sale of substantial proportions of Queensland Rail. Similarly only a further hour was allocated for non-government questions on the remainder of Queensland Transport. LNP members are concerned such limited time for the examination of a complex portfolio such as Transport was designed to reduce the effectiveness of these proceedings.

Non-Government members strongly recommend considerations of the Department of Transport and Main Roads be combined in a single Estimates Committee in future with an extended time frame.

Minister's failure to answer Non-Government questions

The LNP non-Government members would particularly like to put on notice our concerns regarding the Minister's repeated failure to answer direct questions. In

particular issues not answered during the estimates committee hearing included, in addition to those discussed more widely later in this Statement;

- **Planning documents not listed in the answer to question on notice.**
Advised the answer was fulsome, when many planning documents were not included.
- **The impact of the loss of the AAA rating on servicing the liabilities of GOC and business units of QT**
No answer was provided.
- **Subsidies to public transport services**
The Minister referred non-government members to the Annual Report. Unfortunately, the detailed information requested repeatedly is not provided in the Annual Report
- **Pacific Adventurer oil spill clean up efforts**
Did not provide the Queensland Government's Marine Queensland Submission to the AMSA independent review.
Did not advise when the Government became aware that its liabilities would exceed the legal liability under marine law.
Did not provide a breakdown of the \$34 million cost of the clean up (despite an indication non-Government members would be happy to take this on notice.)
- **Guarantee against unreasonable cost or lease hikes for private moorings in relation to Port of Brisbane sale**
No guarantee provided.

Transport Infrastructure Coordination and Planning

The LNP non-Government members would like to place on record their strong concern about the apparent lack of coordination and ministerial leadership shown by the current Queensland Government.

Despite questioning, including to the Minister for Transport during the considerations of Estimates Committee F, there has been no clear delineation of a chain of responsibility between the Ministers of Transport, Main Roads and Infrastructure for the long term planning and coordination of transport infrastructure in Queensland.

This lack of ministerial leadership was clearly evident in the recent damning Auditor General's Report into Transport Network Management and Urban Congestion in South East Queensland. This report identified four key areas of concern:

- *"the leadership at the state level for managing the transport network and urban congestion is not coordinated effectively and makes it more difficult for government agencies to drive a strategic response in an integrated and coordinated manner"*

- *due to a systemic weakness in integrated planning across entities, there is no certainty that the agreed responses will achieve the optimal mix between the different elements of an urban transport network, such as land use, transport infrastructure, demand management and intermodal options*
- *the continued use of out of date key transport documents and plans may result in decisions that are based on obsolete data and assumptions and not effectively address the current challenges*
- *inconsistencies in data collection and reporting might have significant impact on the entities' ability to base their plans on accurate, complete and timely data, as well as to report on outcomes achieved."*

(Audit General Report 3 of 2009 p 2)

This report was particularly critical of the Department of Transport;

"Audit found that DoT and DMR jointly developed the integrated transport planning framework in 2003. However, DoT does not use the integrated transport planning framework consistently for options' analysis and development and in some cases the framework was not used at all.

The department has developed plans to cover the transport network, such as the TCP and the IRTP 1997. Audit found that the TCP was allowed to lapse and the IRTP 1997 had not been reviewed on a regular basis.

The department uses the TCP, IRTP and transport data collection activities to guide its transport network planning. However, audit identified that there was a period between 1993 and 2001 when there was very little data collection to assist planning for the transport network. Audit also identified that the department does not collect data for all regions identified in the SEQRP and the IRTP 1997.

The department has governance structures to support internal and external reporting activities, including systems to collect and analyse data and report against performance indicators. However, the department's annual report does not identify and report on specific congestion initiatives.

The following areas have been identified for improvement:

- *review, update and evaluate its key transport documents such as the TCP and IRTP in a timely manner*
- *strengthen the coordination of land use and transport integration*
- *implement timely collection of data that is relevant, accurate and complete*
- *report congestion performance indicators to external parties to enable a comprehensive assessment of the department's actions to address congestion."*

The LNP calls on the Government to immediately implement all recommendations of this report and apologise for their ongoing failure to provide South East Queensland with an effective transport network.

Queensland Labor Government has repeatedly cited strong, yet unanticipated, growth in the Queensland population, particularly in the South East, as contributing to the need for the current panicked and uncoordinated infrastructure program. Yet consideration of the Australian Bureau of Statistics population records for Queensland shows that since 1982 (over a quarter of a decade) Queensland's population growth has largely been high but stable at an average of 2 percent, exactly the same as the population growth experienced during the last decade of Labor Government.

The LNP non-Government members strongly believe this demonstrates the failure of the current Government to properly plan and coordinate infrastructure provision and would recommend major reform in the leadership processes.

In addition the LNP continues to raise concerns about the poor costing and scoping of projects which has led to ongoing questioning of the credibility of Queensland Transport practices leading to cost blowouts.

It should be noted that the LNP strongly supports a responsible and proactive program of transport infrastructure provision that delivers the transport network vital for Queenslanders standard of life, but would contend the current Government's poor management is resulting in duplication, wasted resources and congestion.

In addition the LNP non-Government members would like to place on record their concern regarding the Queensland's opaque processes in determining project priorities, the lack of long-term coordination and inconsistent planning which needs to be urgently addressed.

Queensland Rail – Asset Sale

The Minister's repeated failure to guarantee no jobs would be lost as a result of the Queensland Rail sale is noted and highly concerning.

Of concern are Minister Nolan's comments that as late as 21 May when asked regarding her answer to questioning in Parliament, she genuinely did not think that the course of action in to Queensland Rail would be undertaken. As the responsible Minister, according to her evidence, not to have been consulted only four days before the Treasurer announced the likely sale in the general media is highly concerning.

It is further of concern that Minister Nolan, further iterated the Premier's comments that the Queensland has walked away from any role in investing in economic infrastructure. *"The choice that the government faces is one between investing limited capital funds in public transport, schools and hospitals or investing it in a commercial rail network for the benefit of coal companies. I have to say to you that that is not for me a difficult decision to make."* (Nolan, Hansard 22 July 2009 p51).

While the LNP is committed to the provision of social infrastructure, we also understand the government has a role to partner with the private sector to ensure our economic infrastructure does not encounter the bottlenecks and capacity constraints which hampers our global competitiveness. Export infrastructure, such as our coal network, is critical in providing our state the income that will allow us to afford the social infrastructure that supports our lifestyles.

The Minister and the Government seem to have a short memory on this matter. As recently as the beginning of last year bottlenecks were dominating the public agenda, including that of the Government.

In November 2007 Premier Bligh, on the announcement of additional funds to bring the Queensland Government investment in the Northern Missing Link rail system, she said;

"While seven coal companies have supported this investment, QR is beginning work without a single confirmed contract, as occurred with its recent \$654 million rolling stock purchase. But the Government is taking a calculated risk. It demonstrates, again, my Government's determination to get ahead of the game.

"It's a green light for companies to invest in new and expanded mines. It's a green light for Ports Corp Queensland to commit to the expansion of Abbot Point. It's a green light for the exports of millions of extra tonnes of Queensland coal. And it's a green light for a massive jobs boost in regional Queensland.

"My Government is absolutely committed to planning ahead, to seize the once in a generation opportunities that await in our region."

(Bligh Press Release 16 November 2007)

This is in direct contrast to Premier Bligh's statement to Parliament announcing the sale of Queensland Rail and Abbott Point Coal Terminal where she said;

"The plain fact is that \$10 billion invested in this export chain is \$10 billion that can't be invested somewhere else." . . .

"The private sector will build the northern missing link infrastructure that is currently being proposed saving the tax payer \$3.5 billion in future capital expenditure."

(Bligh, Hansard 2 June 2009 p578).

The LNP believes such decisions are short sighted and not in the long term benefit of Queensland.

The LNP also has reservations that proper processes are currently not being put in place to ensure against monopoly ownership, possibly by overseas interests, in our export logistics chain.

Federal Government funding

In the recent round of Federal Government transport infrastructure funding announced as part of the Nation Building Program, Queensland has clearly been a loser.

Only four transport projects received funding, the majority of funds going to a single project cost blowout on the Ipswich Motorway.

The Minister indicated the Queensland Government was happy to receive only \$20 million for the Inner City Rail project, out of a total anticipated cost of \$15 billion. The LNP non-Government members are particularly concerned that the long delay in completing preliminary studies (first announced in 2005 and now not to be complete until at least 2011) resulted in this project not being shovel or funding ready and therefore ineligible for a substantial injection of funds.

This is despite the increasing urgency due to the Merivale Bridge reaching capacity by 2016.

Translink Network Plan

The LNP non-Government members asked the Minister regarding the release status and funding of the TransLink Network Plan. It is of particular concern that it appears that this Plan is not fully funded and that the release is being delayed without explanation.

“The next generation of the TransLink Network Plan is still being considered by the government.” (Nolan, Hansard, 22 July 2009, p55)

This is of concern as the current TransLink Network Plan is for 2004-05 to 2007-08. As shown in the timetable included in the current plan (extracted below) the release of this plan is now 12 months late and counting.

TNP version	release TNP (every 3 years) first quarter:	period of approved budget	indicative 4th year of program (budget not approved)
2008–09 to 2011–12*	2008/2009	2008–09 to 2010–11	2011–12
2011–12 to 2014–15	2011/2012	2011–12 to 2013–14	2014–15
2014–15 to 2017–18	2014/2015	2014–15 to 2016–17	2017–18
2017–18 to 2020–21	2017/2018	2017–18 to 2019–20	2020–21

Source: TransLink Network Plan p188 <http://www.translink.com.au/networkplan.php>

The LNP non-Government members would like to place on record our particular concern regarding this failure and the ongoing mismanagement of this program.

Taxi

The LNP non-Government members are concerned by the slow moves by the Minister and the Queensland Government to address the growing complaints about the taxi service currently being provided to Queenslanders.

The Government's own Queensland Public Transport Customer Satisfaction Research Program found taxi users rated the service on average less than four out of 10, a clear 'F' for Failure.

Conclusion

The LNP non-Government members would like to place on record their ongoing concerns and reservations about the Local Government, Aboriginal and Torres Strait Islander and Transport Estimates and would urge the Government to address the issues raised above as a matter of urgency.

Yours faithfully



Howard Hobbs MP
Member for Warrego
Shadow Minister for Local Government and ATSI Partnerships.