



# **2020 – 21 Budget Estimates**

**Report No. 2, 57th Parliament**

**Transport and Resources Committee**

**February 2021**

## Transport and Resources Committee

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<b>Deputy Chair</b>	Mr Lachlan Millar MP, Member for Gregory
<b>Members</b>	Mr Colin Boyce MP, Member for Callide
	Ms Jess Pugh MP, Member for Mount Ommaney
	Mr Les Walker MP, Member for Mundingburra
	Mr Trevor Watts MP, Member for Toowoomba North

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### Acknowledgements

The committee thanks:

- Minister for Transport and Main Roads
- Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement
- Minister for Resources.

The committee also acknowledges the assistance provided by the departmental officers who contributed to the work of the committee during the estimates process.

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## Chair's foreword

This report presents a summary of the committee's examination of the budget estimates for the 2020-2021 financial year.

Consideration of the budget estimates allows for the public examination of the responsible Ministers and the chief executive officers of agencies within the committee's portfolio areas. This was undertaken through the questions on notice and public hearing process.

The committee has recommended that the proposed expenditure, as detailed in the Appropriation (2020-2021) Bill 2020 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

On behalf of the committee, I thank the Minister for Transport and Main Roads; the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement; the Minister for Resources, and each of their departmental officers for their co-operation in providing information to the committee throughout this process.

I would like to thank Chris Whiting MP, Member for Bancroft, for acting as Chair for the hearing held on 11 December 2020. I would also like to thank the members of the committee for their hard work and valuable contribution to the estimates process, and other members whose participation in the hearing provided additional scrutiny of the estimates.

Finally, I thank the committee's secretariat and other Parliamentary Service staff for their assistance throughout the estimates process.

A handwritten signature in black ink that reads "Shane King". The signature is written in a cursive, slightly slanted style.

Shane King MP

Chair

February 2020

## 1 Introduction

### 1.1 Role of the committee

The Transport and Resources Committee is a portfolio committee of the Legislative Assembly which commenced on 26 November 2020 under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.<sup>1</sup>

The committee's primary areas of responsibility are:

- Transport and Main Roads
- Energy, Renewables, Hydrogen, Public Works and Procurement, and
- Resources.

Section 93(1) of the *Parliament of Queensland Act 2001* provides that a portfolio committee is responsible for examining each bill and item of subordinate legislation in its portfolio areas to consider:

- the policy to be given effect by the legislation
- the application of fundamental legislative principles
- for subordinate legislation – its lawfulness.

On 4 December 2020, the Appropriation (2020-2021) Bill 2020 and the estimates for the Committee's area of responsibility were referred to the committee for investigation and report.<sup>2</sup> The Committee was required to report by 12 February 2021.

On 11 December 2020, the committee conducted a public hearing and took evidence about the proposed expenditure from: the Minister for Transport and Main Roads; the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement; the Minister for Resources; and other witnesses.

A copy of the transcript of the Committee's hearing is available on the committee's webpage.

### 1.2 Aim of this report

This report summarises the estimates referred to the committee and highlights some of the issues the committee examined.

The committee considered the estimates referred to it by using information contained in:

- budget papers
- answers to pre-hearing questions on notice
- evidence taken at the hearing
- additional information given in relation to answers.

Prior to the public hearing, the committee provided the Minister for Transport and Main Roads, the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement, and the Minister for Resources with questions on notice in relation to the estimates. Responses to all the questions were received.

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<sup>1</sup> *Parliament of Queensland Act 2001*, section 88 and Standing Order 194.

<sup>2</sup> Standing Order 177 provides for the automatic referral of the Annual Appropriation Bills to portfolio committees once the Bills have been read a second time.

The following documents are included in a volume of additional information tabled with this report:

- answers to the Committee’s pre-hearing questions on notice
- documents tabled during the hearing
- answers and additional information provided by Ministers after the hearing.

Answers to the Committee’s pre-hearing questions on notice, documents tabled at the hearing, the hearing transcript, and answers to questions taken on notice at the hearing are available on the committee's website.

### **1.3 Participation by other Members**

The Committee gave leave for other Members to participate in the hearing. The following Members sought leave to participate in the hearing:

- Stephen Andrew MP, Member for Mirani
- Michael Berkman MP, Member for Maiwar
- Jarrod Bleijie MP, Member for Kawana
- Sandy Bolton MP, Member for Noosa
- David Crisafulli MP, Leader of the Opposition, Member for Broadwater
- David Janetzki MP, Deputy Leader of the Opposition, Member for Toowoomba South
- Amy MacMahon MP, Member for South Brisbane
- Tim Mander MP, Member for Everton
- Brent Mickelberg MP, Member for Buderim
- Steven Minnikin MP, Member for Chatsworth
- Fiona Simpson MP, Member for Maroochydore
- Pat Weir MP, Member for Condamine.

## **2 Recommendation**

Pursuant to Standing Order 187(1), the Committee must state whether the proposed expenditures referred to it are agreed to.

### **Recommendation 1**

The Committee recommends that the proposed expenditure, as detailed in the Appropriation (2020-2021) Bill 2020 for the Committee’s areas of responsibility, be agreed to by the Legislative Assembly without amendment.

### 3 Minister for Transport and Main Roads

The Honourable Mark Bailey MP, Minister for Transport and Main Roads is the minister responsible for the Department of Transport and Main Roads (DTMR). The Minister is also responsible for the following agencies:

- Far North Queensland Ports Corporation Limited (Trading as Ports North)
- Gladstone Ports Corporation Limited
- North Queensland Bulk Ports Corporation Limited
- Port of Townsville Corporation Limited
- Gold Coast Waterways Authority
- Queensland Rail Limited
- Cross River Rail Delivery Authority
- RoadTek.<sup>3</sup>

#### 3.1 Department of Transport and Main Roads

The Minister's primary ministerial responsibilities in relation to transport and main roads include: air services, busways, land transport and safety, main roads, marine infrastructure – project delivery, maritime, passenger transport, personalised transport, ports, railways, road safety, and transport infrastructure.<sup>4</sup>

The DTMR has five service areas:

- transport system investment, planning and programming
- transport infrastructure management and delivery
- transport safety and regulation
- customer experience
- passenger transport services.<sup>5</sup>

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<sup>3</sup> State Budget 2020-21, Service Delivery Statements, DTMR, p 2-146 and Department of Transport and Main Roads, correspondence, 27 November 2020.

<sup>4</sup> Queensland Government, Administrative Arrangements Order (No. 2) 2020, p 11, [https://www.qld.gov.au/\\_data/assets/pdf\\_file/0020/144812/administrative-arrangements-order-no-2-2020.pdf](https://www.qld.gov.au/_data/assets/pdf_file/0020/144812/administrative-arrangements-order-no-2-2020.pdf)

<sup>5</sup> State Budget 2020-21, Service Delivery Statements, DTMR, p 2-147.

The following table taken from the Appropriation (2020-2021) Bill 2020 compares the appropriations for the department for 2019-20 and 2020-21.

<b>Appropriations</b>	<b>Budget 2019-2020 \$'000</b>	<b>Actual 2019-2020 \$'000</b>	<b>Vote 2020-2021 \$'000</b>
<i>Controlled Items</i>			
departmental services	5,369,201	5,487,765	5,673,004
equity adjustment	1,628,456	1,489,060	2,019,337
<i>Administered Items</i>	40,000	45,000	588,939
<b>Vote</b>	<b>7,037,657</b>	<b>7,021,825</b>	<b>8,281,280</b>

Source: Appropriation (2020-2021) Bill 2020, Schedule 2, p 15.

The following table outlines the agencies and statutory bodies that fall within the department and provides a comparison of the budgets for 2019-20 and 2020-21.

<b>Agency</b>	<b>2019-20 Actual \$'000</b>	<b>2020-21 Budget \$'000</b>
Department of Transport and Main Roads		
- controlled	6,448,509	6,717,806
- administered	2,721,673	2,880,080
Gold Coast Waterways Authority	15,441	24,121
Cross River Rail Delivery Authority	164,795	482,683
RoadTek	576,974	574,320

Source: Queensland Budget 2020-21, Service Delivery Statements Volume 2, pp 2-160, 2-161, 2-166, 2-169, 2-172.

### 3.1.1 Budget highlights – Department of Transport and Main Roads

2020-21 budget highlights for the department include:

- implementation of the Queensland Transport Strategy and completion of the associated action plan – a 30-year transport strategy to prepare and position Queensland's transport system to make the most of new technologies, services and changing customer preferences
- implementation of the Regional Transport Plans – these define the strategic direction of regional transport systems and guide the planning of Queensland's transport network over the next 15 years
- facilitating the delivery of the Australian Rail Track Corporation's Inland Rail Project in Queensland
- delivering safety treatments through the Targeted Road Safety Program, including high risk route actions, discrete site treatments, township entry treatments and other targeted safety interventions, including interventions for vulnerable road users
- providing customers with more options to pay for public transport with the continued implementation of Smart Ticketing trials of hardware and software – enabling adult customers to access new ways to pay for their fare using a credit or debit card, smart watch or phone in addition to go card and paper tickets



- implementation of actions within the Disability Action Plan 2018-2022 to improve the accessibility of the passenger transport network for people with disabilities
- implementation of 1065 temporary additional bus and rail services during the AM and PM shoulder peaks to support social distancing and customers travelling outside peak times in response to COVID-19 patronage returns.<sup>6</sup>

In 2020-21, the total capital program for the transport and main roads portfolio is \$6.267 billion. This includes \$5.894 billion in capital purchases and \$372.5 million in capital grants.<sup>7</sup> Program highlights (property, plant and equipment) for DTMR include:

- continued construction activities under the \$12.6 billion Queensland and Australian Government funded program to
- upgrade the Bruce Highway (2013-14 to 2027-28), with projects to commence or continue in 2020-21 including:
  - \$1 billion Bruce Highway (Cooroy – Curra) (Section D) upgrade between Woondum and Curra
  - \$932.2 million Caloundra Road and Sunshine Motorway upgrade.
  - \$662.5 million Caboolture-Bribie Island Road interchange to Steve Irwin Way upgrade.
  - \$514.3 million Haughton River Floodplain.
  - \$481 million Cairns Southern Access Corridor Stage 3 between Edmonton and Gordonvale.
  - \$301.3 million Maroochydore Road interchange upgrades.
  - \$163.3 million Deception Bay Road interchange upgrade.
  - \$120.4 million Mackay Northern Access upgrade.
- progressing Queensland and Australian Government funded upgrades on the M1 Pacific Motorway, including:
  - \$1 billion Varsity Lakes and Tugun upgrade.
  - \$750 million Eight Mile Plains and Daisy Hill upgrade.
- continued construction of the Queensland and Australian Government funded \$400 million Ipswich Motorway (Rocklea – Darra) Stage 1 Project
- progressing the \$709.9 million jointly funded (Queensland Government, Australian Government, and City of Gold Coast) Gold Coast Light Rail Stage 3 project between Broadbeach South and Burleigh Heads
- continued delivery of the \$550.8 million Queensland and Australian Government funded North Coast Line - Beerburrum to Nambour Rail Upgrade (Stage 1) Project.

<sup>6</sup> Queensland Budget 2020-21, Service Delivery Statements – Department of Transport and Main Roads, pp 2-148, 2-150, 2-152, 2-154, 2-156.

<sup>7</sup> Queensland Budget 2020-21, Capital Statement – Budget Paper No. 3, p 80.

### **3.2 Gold Coast Waterways Authority**

The Authority is a statutory body established by the *Gold Coast Waterways Authority Act 2012*. The Authority's vision and purpose is 'to sustain, enhance and promote the waterways to showcase this wonderful asset to our community and visitors'.<sup>8</sup>

#### **3.2.1 Budget highlights – Gold Coast Waterways Authority**

The objectives outlined in the 2020-21 budget include:

- keeping primary navigation channel networks accessible through dredging programs in the Main Channel, Jacobs Well, North and South Channels, Gold Coast Seaway the West Crab Island Channel
- ensuring safer navigational access is maintained through the Gold Coast Seaway by the efficient operation of the Sand Bypass System and completion of an upgrade of electrical switch equipment and the Sand Bypass System jetty deck, as well as the maintenance painting campaign
- maintaining and improving boating infrastructure including the Alberton and Jacobs Well public boat ramps
- delivering The Spit Works Program projects including the Seaway Promenade, improvements to Moondarewa Spit, Marine Stadium jetty and pontoon and the Muriel Henschman boat ramp and carpark (in conjunction with Department of State Development, Infrastructure, Local Government and Planning)
- promoting the waterways through participation in events and engaging with the community and key stakeholders.<sup>9</sup>

### **3.3 Cross River Rail Delivery Authority**

The Cross River Rail Delivery Authority is a statutory body established under the *Cross River Rail Delivery Authority Act 2016*. The Delivery Authority's vision and purpose is 'to deliver economic development and transport outcomes that maximise benefits for Queenslanders'.<sup>10</sup>

#### **3.3.1 Budget highlights – Cross River Rail Delivery Authority**

The objectives outlined in the 2020-21 budget include:

- managing the compliance of contractors and ensuring the highest level of safety is maintained across each of the Cross River Rail project worksites
- ensuring that a high percentage of local subcontractors and suppliers, and that commitments to training and apprentice opportunities, are retained
- undertaking extensive consultation with government, industry and the community on the Cross River Rail Precincts Delivery Strategy for the Boggo Road, Woolloongabba, Albert Street, Roma Street and Exhibition station precincts
- finalising property acquisition requirements in the project corridor.<sup>11</sup>

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<sup>8</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 2, p2-164.

<sup>9</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 2, p2-164.

<sup>10</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 2, p2-167.

<sup>11</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 2, p2-167.

### 3.4 RoadTek

RoadTek is a commercialised business unit within the Department of Transport and Main Roads and operates in line with the Department of Transport and Main Roads' Commercialisation Framework. RoadTek's vision and purpose is to be 'a valued partner delivering transport solutions for Queensland'.<sup>12</sup>

#### 3.4.1 Budget highlights – RoadTek

The objectives outlined in the 2020-21 budget include:

- purchasing new construction plant and equipment (such as Graders, Rollers and Traffic Management) as well as trucks to support the ongoing operational needs
- having a local workforce that is well equipped and capable of providing on the ground support to communities in times of need (for example, incident, emergency and disruptive event response)
- partnering with regional and indigenous communities to enhance training, development, employment as well as enabling local opportunities for businesses
- specialising in delivering technically difficult and hard to scope projects and providing end to end management of transport solutions through integrated business streams including civil construction and maintenance, structures, electrical, Intelligent Transport Systems and line marking, supported by an internal construction fleet.<sup>13</sup>

### 3.5 Key issues raised at the public hearing

Issues raised by the committee and participating Members in relation to the portfolio areas of responsibility of the Minister for Transport and Main Roads included:

- ministerial email usage
- lease arrangements for Wilsons Boathouse Restaurant, Manly
- investment in road and transport projects
- tender process for the building of trains required for the Cross River Rail project
- capital allocations for the Cross River Rail project
- management of ports during the COVID-19 crisis
- monies owed to the Port of Townsville
- proposed changes to the track design for the Cross River Rail project
- anticipated impacts on the Gold Coast rail line of the Cross River Rail project
- Cross River Rail project budget
- capital allocations for the M1 and second M1 projects
- running of essential services during the pandemic
- modifications to the southern portal area of the Cross River Rail project
- Montague Road transport corridor transport study
- Jindalee Bridge upgrade on the Centenary Highway
- priority bus lanes on the Centenary Highway
- Coomera Connector transport link – funding, completion and route
- implementation of the Strachan inquiry recommendations and associated costs
- forecast overtime costs for train drivers and guards

<sup>12</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 2, p2-170.

<sup>13</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 2, p2-170.

- train driver and guard numbers
- public transport smart ticketing project
- Sunshine Coast road and rail project investments
- capital allocation for road and transport projects in North Queensland
- planning and funding of the inland freight route from Charters Towers to Mungindi
- Bremer River Bridge on the Warrego Highway
- John Peterson Bridge over the Boyne River at Mundubbera
- 'signals passed at danger' (SPAD) events on the train network
- capital allocations to the Mount Isa rail line project
- road safety performance standards
- Queensland's rail manufacturing industry
- road maintenance backlogs
- State of Assets Report outcomes
- Structures Management Plan assessments and actions
- Peak Downs Highway from Clermont to Nebo and the Bee Creek bridge upgrade
- transport system accessibility
- capital allocations for road and transport for Bruce Highway, inland freight route and Moreton Bay region
- completion timeframes for COVID stimulus accelerated road projects
- contract costs to run the go card network.

## 4 Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement

The Honourable Mick De Brenni MP, Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement, is the Minister responsible for the Department of Energy and Public Works (DEPW). The Minister is also responsible for the following Reporting Entities:

- Queensland Building and Construction Commission (QBCC)
- QBuild
- QFleet
- CleanCo Queensland
- CS Energy Ltd
- Energy Queensland
- Powerlink Queensland
- Stanwell Corporation
- Energy and Water Ombudsman.

### 4.1 Department of Energy and Public Works

The Minister's principal ministerial responsibilities include: energy; hydrogen energy; renewable energy; building policy; asset management; government procurement; and building industry licensing.<sup>14</sup>

The department has two service areas:

- Energy Services
- Building and Procurement Services.

The following table taken from the Appropriation (2020-2021) Bill 2020 compares the appropriations for the department for 2019-20 and 2020-21.

Appropriations	Budget 2019-2020 \$'000	Actual 2019-2020 \$'000	Vote 2020-2021 \$'000
<i>Controlled Items</i>			
departmental services	..	..	86,108
equity adjustment	..	..	44,284
<i>Administered Items</i>	..	..	264,517
<b>Vote</b>	..	..	<b>394,909</b>

Source: Appropriation (2020-2021) Bill 2020, Schedule 2, p 11.

<sup>14</sup> Queensland Government, Administrative Arrangements Order (No. 2) 2020, p 12.

The following table outlines the agencies and statutory bodies that fall within the department and provides a comparison of the budgets for 2019-20 and 2020-21.

<b>Agency</b>	<b>2019-20 Actual \$'000</b>	<b>2020-21 Budget \$'000</b>
Department of Energy and Public Works		
- controlled	..	510,516
- administered	..	264,849
Queensland Building and Construction Commission	252,155	242,052
QBuild	1,118,790	1,091,318
QFleet	152,795	158,105

*Source:* Queensland Budget 2020-21, Service Delivery Statements Volume 3, pp 3-9, 3-10, 3-15, 3-18, 3-21.

#### **4.1.1 Budget highlights – Department of Energy and Public Works**

2020-21 budget highlights for the department include:

- delivering programs that:
  - help large businesses understand their electricity use and transition to appropriate tariffs
  - help agricultural businesses (farms) realise energy savings through energy audits and transition to appropriate new tariffs
- continuing to support CleanCo Queensland Limited's delivery of an additional 1400MW of renewable energy and its role as the State's third publicly owned power generation company, including the development of Australia's first government owned wind farm - Karara Wind Farm
- continuing to regulate and provide strategic oversight of Queensland's electricity and gas supply industries, and biobased petrol and diesel mandates
- ensuring preparedness, response and recovery to disasters or emergency events through the development of plans, processes and procedures in support of Queensland's Disaster Management Arrangements.
- implementing further security of payment reforms and developing policy and practice to further improve safety, fairness and sustainability in the Queensland building and construction industry
- continuing a capital, maintenance and upgrade program to deliver safe and secure government employee housing in regional and remote locations across the State, including Aboriginal and Torres Strait Islander communities, thereby enabling police, teachers, medical professionals and associated government employees to deliver critical frontline services to the people of Queensland
- continuing the COVID-19 Procurement Response including the COVID-19 Supplier Portal and enabling the Unite and Recover: Queensland Economic Recovery Plan through Category Strategies
- applying targets and commitments that support the Buy Queensland procurement approach into common use arrangements

- delivering improved procurement approaches to government’s trade contractors spend on maintenance activities across the State.<sup>15</sup>

In 2020-21, the total capital program for capital purchases in the energy portfolio is \$2.235 billion.<sup>16</sup>

## 4.2 Queensland Building and Construction Commission

The QBCC is a statutory body established under the *Queensland Building and Construction Commission Act 1991* to regulate the building and construction industry. The QBCC’s vision is ‘to be a regulator that builds trust and confidence in all we do’.<sup>17</sup>

### 4.2.1 Budget highlights – Queensland Building and Construction Commission

The objectives outlined in the 2020-21 budget include:

- implementing changes arising from the Building Industry Fairness (Security of Payment) and Other Legislation Amendment Bill 2020 that includes legislative changes to extend protections against non-payment in the building industry and enhance the QBCC’s enforcement abilities
- continuing to build capabilities and capacities as part of the Insights Driven Regulator program to better enable the QBCC to take a more proactive approach in enforcing the legislation it administers
- implementing recommendations arising from the Queensland Audit Office’s performance audit of the QBCC to enable more effective and efficient operations.<sup>18</sup>

## 4.3 QBuild

QBuild’s role is to deliver state-wide building, construction and maintenance programs supporting Queensland Government agencies to deliver their core services to Queenslanders. QBuild’s vision is ‘to ensure customers benefit from better operating efficiencies, greater value for money and strong business partnerships’.<sup>19</sup>

### 4.3.1 Budget highlights – QBuild

The objectives outlined in the 2020-21 budget include:

- expanding the QBuild apprenticeship program, creating employment opportunities for apprentices and tradespersons state-wide
- working cohesively with Queensland Government agencies to effectively manage asset portfolios, creating value for money partnerships and enabling agencies to deliver more services to Queenslanders
- strengthening our capability to oversight and deliver capital works projects and programs for Queensland Government agencies
- broadening and integrate our workplace health and safety strategies at the interface of our partnerships with Queensland Government agencies.<sup>20</sup>

<sup>15</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 3, pp3-3, 3-5.

<sup>16</sup> Queensland Budget 2020-21, Capital Statement – Budget Paper No. 3, p 57.

<sup>17</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 3, p3-13.

<sup>18</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 3, p3-13.

<sup>19</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 3, p3-16.

<sup>20</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 3, p3-16.

#### **4.4 QFleet**

QFleet provides the government with safe and efficient transport solutions, enabling the delivery of community services by agencies. QFleet's vision is 'to provide whole-of-government mobility solutions and services that are fit-for-purpose, safe and environmentally responsible'.<sup>21</sup>

##### **4.4.1 Budget highlights – QFleet**

The objectives outlined in the 2020-21 budget include:

- continuing to implement a new fleet management system
- continuing to implement the QFleet Environmental Strategy for the Queensland Government motor vehicle fleet and QFleet Electric Vehicle Transition Strategy for the Queensland Government motor vehicle fleet, including increasing the range and number of low emission and electric vehicles in the fleet
- continuing to promote road and driver safety for Queensland Government employees in line with QFleet's road safety initiatives.<sup>22</sup>

#### **4.5 Key issues raised at the public hearing**

Issues raised by the committee and participating Members in relation to the Minister's portfolio area included:

- ministerial email usage
- phase-out of transitional and obsolete tariffs
- proposed hydro-electric power station at Burdekin Falls Dam project
- register of interest process for renewable energy zones
- Queensland's renewable energy targets
- CopperString project
- construction and componentry at the Karara Wind Farm
- status of AGL's generating licence
- analysis on where solar panels are manufactured
- renewable hydrogen
- Hydrogen Industry Development Fund and private sector investment
- electricity prices
- Queensland's Renewable Energy Fund
- measuring the level of public ownership in the generation sector
- issues regarding the future closure of Queensland's coal-fired power stations
- allocation of work space in 1 William Street to non-government employees
- support for women and girls to gain training skills and employment in the construction industry
- payment of sub-contractors and trades persons
- progress of the Household Resilience Program
- achieving the department's savings target under the savings and debt plan
- appointment of staff through closed merit recruitment

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<sup>21</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 3, p3-19.

<sup>22</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 3, p3-19.



- staffing associated with limited life programs
- assessment of buildings under the Safer Buildings program
- protection against unsafe building work after a natural disaster
- Rebuilding QBuild program
- investment in Queensland businesses through the Buy Queensland policy
- abolition of the QBCC deputy commissioner position
- expansion of the Cairns Convention Centre project
- number of electric vehicles in QFleet.

## 5 Minister for Resources

The Honourable Scott Stewart MP, Minister for Resources is the Minister responsible for the Department of Resources (DR). The department has the following two service areas:

- Natural Resources Management Services
- Minerals and Energy Resources Services.

The Minister is also responsible for the following reporting entities: GasFields Commission Queensland; Land Access Ombudsman; and Resources Safety and Health Queensland.

### 5.1 Department of Resources

The Minister's principal ministerial responsibilities include: mining and petroleum; management and use of state land; Aboriginal and Torres Strait Islander land interests and titles.<sup>23</sup>

The following table taken from the Appropriation (2020-2021) Bill 2020 compares the appropriations for the department for 2019-20 and 2020-21.

<b>Appropriations</b>	<b>Budget 2019-2020 \$'000</b>	<b>Actual 2019-2020 \$'000</b>	<b>Vote 2020-2021 \$'000</b>
<i>Controlled Items</i>			
departmental services	470,495	499,000	315,357
equity adjustment	91,435	(5,476)	92,025
<i>Administered Items</i>	518,255	531,899	204,379
<b>Vote</b>	<b>1,080,185</b>	<b>1,025,423</b>	<b>611,761</b>

Source: Appropriation (2020-2021) Bill 2020, Schedule 2, p 13.

The following table outlines the agencies and statutory bodies that fall within the department and provides a comparison of the budgets for 2019-20 and 2020-21.<sup>24</sup>

<b>Agency</b>	<b>2019-20 Actual \$'000</b>	<b>2020-21 Budget \$'000</b>
Department of Resources		
- controlled	..	403,399
- administered	..	955,987

Source: Queensland Budget 2020-21, Service Delivery Statements Volume 3, pp3-55, 3-57.

<sup>23</sup> Queensland Government, Administrative Arrangements Order (No. 2) 2020, pp 30-31.

<sup>24</sup> The table indicates the agency budget. It may not represent the actual appropriation.

### 5.1.1 Budget highlights – Department of Resources

2020-21 budget highlights for the department include:

- progressing implementation of the Natural Resources Investment Program to ensure Queensland's land and vegetation resources are sustainably managed and continually strengthened
- providing property valuation services across Queensland, including promoting easier electronic access to valuations
- continuing to register all land related transactions associated with freehold and non-freehold land in Queensland through the Titles Registry and maintain the registers for land and water allocations
- continuing to promote Native Title Consent determinations across Queensland
- continuing with the program to finalise outstanding entitlements to leases in Aboriginal and Torres Strait Island communities
- providing real time satellite monitoring of Queensland's natural resources
- publish performance data for resource tenure assessment processes
- facilitate coexistence between landholders and the resources sector including fostering effective working relationships with the Land Access Ombudsman and the Gasfields Commission Queensland and delivery of the Resource Community Information Sessions program to relevant mineral, coal and gas communities across the state.<sup>25</sup>

### 5.1.2 Key issues raised at the public hearing – Department of Resources

Issues raised by the committee in relation to the Resources portfolio included:

- ministerial email usage
- appointment of the acting director-general
- leaseholder and access issues on Keswick Island
- objections under land valuation process
- methodology used to consider Queensland's property values
- land rent waiver COVID-19 relief measure
- outcome of Collaborative Exploration Initiative grants
- implications of reserving Queensland gas for domestic use
- managing Queensland's legacy and abandoned mine sites
- Queensland Coal Mining Board of Inquiry report into the Grosvenor Mine blast
- Mines Inspectorate actions in relation to mine safety
- Queensland's resource sector investment
- actions relating to the North Queensland economy
- mining lease terms

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<sup>25</sup> Queensland Budget 2020-21, Service Delivery Statements Volume 3, pp3-49, 3-51.

- land transfer support for Aboriginal and Torres Strait Islander communities
- New Acland stage 3 mine and other thermal coal projects
- 2018-19 land cover change in the Queensland Statewide Landcover and Tree Study
- grants awarded under the Collaborative Exploration Incentive
- development of the North West Minerals Province
- vegetation management hub
- rules regarding land clearing for firebreaks
- resource tenements currently held by foreign companies
- issues associated with the Fossicking Act
- review of Queensland Stock Route Management Strategy and Stock Route Management Regulation
- new economy minerals
- rollout of the Geological Survey of Queensland's online portal
- implementing X-rays and other tests for Queensland coal miners
- inspections undertaken by the Mines Inspectorate
- qualification transfers of mining staff from other Australian jurisdictions
- compliance actions by and prosecutions commenced on behalf of Resources Safety and Health Queensland
- the status of e-conveyancing in Queensland
- the Queensland Exploration Program
- the compliance programs of the: coal; minerals, mines and quarries; petroleum and gas; and explosives inspectorates
- actions to ensure confidence in the exploration sector
- consultation on self-assessable codes for vegetation protection.

## STATEMENT OF RESERVATIONS

As Queenslanders deal with the impacts of COVID-19, the 2020/21 Budget was the time for the Palaszczuk Government to respond.

Instead, the third-term Labor Government claimed businesses are back on their feet and all jobs lost because of COVID-19 have been regained – claims woefully out of touch with reality.

The more than 200,000 Queenslanders who are currently out of work were relying on the Labor Government to get this Budget right. But for them it's simply pages of broken promises and dreams.

All Labor has delivered Queensland in this budget is \$28 billion in new debt to simply keep the lights on, and an infrastructure spend that is both billions less than southern states and but is also being delivered years into the never never.

In its third term all the Labor Government can manage as an economic plan is a 41-page glossy brochure and an unemployment rate 13 percent higher than Victoria and nearly 25 percent higher than New South Wales.

### *Committee operation*

As is prudent, the Opposition agrees with passing the budget. However, there are some reservations that should be noted.

As mentioned above, this budget outlines unemployment figures into the forwards confirming Queensland will have the worst unemployment figures in the country. Despite this, the government has not communicated any plans to fast-track projects to stimulate the economy and create jobs for Queenslanders.

By holding off the budget until after the election, the Government had a responsibility to be completely transparent about debt levels. Instead they outlined \$4 billion worth of debt before the election only to reveal the actual increase in debt would be seven times that amount at \$28 billion. While the opposition understands the need to borrow funds to build the roads, dams and other job creating projects; we are extremely concerned about the revelations in the budget which show the massive increase in debt has yielded only a tiny increase in the State's net worth. This is in stark contrast to results in other states who have used increased borrowings to fund large infrastructure building programs.

Finally, the structure of the whole budget process is fundamentally broken. With a vastly truncated estimates process, the Government had a responsibility to ensure it was completely transparent. Given the circumstances, it was more important than ever that a full and frank examination of Minister and their portfolios occurred.

The LNP proposes a complete reimagining of the Estimates process, starting with the appointment of non-Government Chairs during estimates – an initiative that we will implement in Government.

## TRANSPORT AND MAIN ROADS

## *Integrity*

Once again, questioning by LNP MPs has highlighted a number of integrity issues that plague this government and bring into question its ability to deliver the measures outlined in the 2020-21 Budget in a way that is in the best interest for Queenslanders.

Despite stating in Budget Paper 1 that the “government will continue to respect and honour the trust and confidence placed in us by Queenslanders”, issues around the Department’s interactions with Mr Jim Soorley (who is not a registered lobbyist) regarding Wilsons Boathouse was raised during the Estimates Hearing.

A key initiative of the budget cited by the Government has been the decision to build trains in Maryborough. The LNP highlighted that a lobbyist, Mr Evan Moorhead, had been engaged by Downer (the only company with an established train facility in Maryborough) and had multiple meetings with Minister Bailey’s Senior Advisor prior to the government making their pre-election announcement. Mr Moorhead is a former ALP State Secretary.

When asked for details on what was discussed at these meetings and if other train manufacturing companies had been given as much access, Minister Bailey did not provide a response. It therefore remains unclear as to what level of influence this ALP aligned lobbyist had when it comes to this policy and if the subsequent deal will deliver value for the Queensland taxpayer.

The LNP also used the Estimate Hearings to seek further information from the Minister about his use of private email accounts for ministerial purposes. Unfortunately the Acting Chair’s rulings prevented a more thorough investigation into these matters, meaning that questions remain about the minister’s actions.

## *Cross River Rail*

Serious questions remain regarding the delivery of the Cross River Rail project.

As discussed at the Estimates Hearing, despite now being well into construction of the project it has been determined that the track alignment at Dutton Park needs to be changed. This has resulted in a Request for Project Change submission to the Coordinator General.

Evidence provided to the Committee by Cross River Rail Delivery Authority (CRRDA) CEO, Mr Newton, indicated that the revised design will allow a track “curvature in the order of a 300-metre radius which is consistent with the preference for the Queensland Rail operation arrangements”. This therefore leads one to assume that the CRRDA originally accepted a tender that was not consistent with Queensland Rail’s operational arrangements.

It is unclear whether any other aspects of the project design don’t meet operational arrangements and will result in the need for further submissions to the Coordinator General. The implications for the project budget are unknown.

## *Rail safety*

The safe operation of the rail network should be a key priority for the government. That's why the increase in Signal Passed at Danger (SPADs) from August 2020 to November 2020 is alarming.

During the Estimates Hearing the CEO of Queensland Rail, Mr Easy, said that "We have seen a slight increase in the SPADs over the last two months, but I am also very pleased to report that in November that rate has dropped again". The Queensland Rail website actually shows it has increased from 1.94 (SPADs per million train kilometres) in October to 2.04 in November. This compares to 1.58 in November 2019.

The Committee should seek clarification from Mr Easy about the discrepancy between his testimony and the published information.

### *Maintenance backlog*

A key function of the Department of Transport and Main Roads is to maintain efficient, reliable and safe transport infrastructure. The Queensland Audit Office report No. 4 showed that TMR faced a \$4 billion renewal backlog as at 30 June 2017. The Minister has advised the Committee that as of 30 June 2019 the deferred maintenance backlog on Queensland state-controlled road network had grown to \$5.418 billion.

It should be noted that the government was unable to advise the quantum of the maintenance backlog as of June 2020. Nor could the government advise how many culverts had a rating of poor or very poor, the number of structures classified as defective, or the asset sustainability ratio for 2020-21. The lack of information makes it impossible to determine if the 2020-21 budget provides enough funding for the Department to adequately maintain the network.

## ENERGY, RENEWABLES AND HYDROGEN, PUBLIC WORKS AND PROCUREMENT

### *Energy*

The lowlight of the hearing into the Government's management was the confirmation by the CleanCo CEO that the 2017 election commitment of \$100 million for the Burdekin Falls Dam hydro project has been reallocated and was now being used for the Karara Wind Farm.

This confirmed to North Queenslanders what they had feared since the 2017 Labor election promise to raise and install hydro on the Burdekin Falls Dam, it was simply a stunt to get Labor across the line.

This is the lowest form of political treachery and all Queenslanders should be rightly outraged at this betrayal.

To further frustrate the LNP members of the committee it was revealed that the Government had conducted no investigations into where alternative supply sources of solar panels are manufactured and any trade impacts unfolding in China could potentially have on Queensland's ability to reach its 2030 renewables target.

Something that impacts on Queensland's capacity to meet its renewables target such as its ability to source materials to build clean energy projects should be actively being

considered by the Government. In this same vain the Government should be playing its part in trying to develop capabilities in Queensland to source these materials locally.

LNP committee members also raised concerns with whether technical and construction issues currently being incurred at the AGL Coopers Gap wind farm project would impact on state Government run projects like CleanCo's Karara Wind Farm.

It was disappointing that the Minister sought to politicise the LNP committee member's inquiries into the considerable expense being incurred by Queensland taxpayers on this project. The LNP was simply trying to ensure the Government had conducted due diligence and that taxpayers would not be out of pocket.

#### *Misuse of taxpayer-funded resources by the Australian Labor Party*

The public hearing shameful display of the petulant lengths taken by the Labor Government to avoid questions about taxpayer-funded resources being given to Lobbyists to assist Labor being re-elected.

However, the Director-General did testify it was against policy for a scenario to arise where a person, other than an employee or contractor, would be given taxpayer funded government accommodation to conduct their own business and also to lobby the government.

The Committee should therefore note that the provision of government accommodation to Evan Moorhead and Cameron Milner appears to be in breach of government policy and a misuse of taxpayer-funded resources and accommodation.

#### *Safer buildings program*

As of 30 November 2020, following a process commenced more than two years ago, 2,558 Queensland buildings might still be possible fire risks as they have not completed the program. Whereas 182 Queensland buildings have been deemed a potential cladding fire risk and requiring rectification.

This is a serious cause for concern and the community should not be left unprotected by these delays.

#### *Cairns Convention Centre*

The Minister either chose not to, or didn't know, how many events had been cancelled or affected by the delays on this project. This is just sloppy. The Minister should be across his brief if he wants to improve his rating.

### RESOURCES

The ongoing situation on Keswick Island which has resulted in a very public dispute between local landholders and the Chinese company China Bloom owned holder of the State Government managed 99-year lease.

It was very disappointing the Minister for Resources Scott Stewart was not able to provide any assurances or guarantees for a resolution to the ongoing situation which to a large portion of the Queensland population is viewed as a Chinese 'takeover' of a



Queensland island. Most concerningly the Minister almost seemed to blame the residents on Keswick rather than China Bloom for its alleged activities.

The LNP members of the committee have serious concerns that the State Government has failed to protect the rights of residents while making a mockery of Australian sovereignty over the island.

During the hearing, some concerns in relation to the quality of services from the Valuer General were raised they include:

- 40 per cent of the landholder objections have been upheld since 2015
- Between 2014-15 to 2019-20 the Government spent \$1,429,159 on internal staff and resources fighting legal changes to valuations and \$5,074,515 on external legal firms engaged to fight the objections
- This is equivalent to a 610 per cent increase in the external legal fees from \$164,088 in 2014-15 to \$1,165,040 in 2019-20

It was disappointing and not unsurprising that a consistent explanation was provided to justify how the valuer general has continued to get it so clearly wrong which has resulted in a significant cost blow out at the expense of Queensland taxpayers.

When it comes to the safety of our miners the LNP takes the issue very seriously. Which is why it was extremely disappointing to discover during the hearing that the recommendations from the Black Lung, White Lies Report were not being fully or properly implemented.

The report recommended 50 per cent of health inspections be unannounced however in the hearing it was confirmed only 10-20 per cent - despite the Resources Safety and Health Queensland talking up the benefits of unannounced visits.

To make matters worse whilst simultaneously defending the department's decision not to implement the full 50 per cent of unannounced inspections the head of Resources Safety and Health Queensland highlighted the value of these exact forms of inspections. A clear contradiction which is unacceptable when it comes to maintaining the safety of our mine workers in Queensland.

## Conclusion

Queensland needs a new approach to get the economy going and Queenslanders back to work.

The LNP calls for infrastructure spending to be brought forward and rolled out now to help those 200,000 Queenslanders re-enter the workforce.

The LNP will unleash economic growth by:

- Encouraging those with entrepreneurial spirit to invest their own money in job creating ventures;
- Valuing the Public Service by empowering them to make decisions which drop barriers to growth;

- Unshackling the mining industry and tourism industries through world's best practice environmental protections which both preserve our natural environment and utilise it to create jobs;
- Placing significant investment in agriculture research and development with output increased through world's best practice education, training and support for our producers; and
- Building the water infrastructure Queensland needs.

The LNP's approach will return Queensland to the rightful position as the nation's economic powerhouse and create a better Queensland for us, our children, and generations to come.



**Trevor Watts MP**  
Member for Toowoomba North



**Colin Boyce MP**  
Member for Callide



**Lachlan Millar MP**  
Member for Gregory