



2016 – 17 Budget Estimates

Report No. 29, 55th Parliament
Infrastructure, Planning and Natural Resources
Committee

August 2016

Infrastructure, Planning and Natural Resources Committee

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Chair's Foreword

This report presents a summary of the Infrastructure, Planning and Natural Resource Committee's examination of the Budget Estimates for the 2016-17 financial year.

On behalf of the committee, I thank the Deputy Premier and Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment; the Minister for State Development and Minister for Natural Resources and Mines; and the Minister for Housing and Public Works and their departmental officers for their cooperation throughout the process. I also thank the Chief Executive Officers from the entities covered in the committee's portfolio for their cooperation throughout the process.

I would also like to thank the members of the committee, Hansard staff, the attendants and the secretariat.

I commend this report to the House.

A handwritten signature in black ink, appearing to read 'Jim Pearce'.

Jim Pearce MP

Chair

August 2016

1. Introduction

1.1 The committee

The Infrastructure, Planning and Natural Resources Committee (the committee) is a portfolio committee of the Queensland Parliament established under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.¹

The committee's areas of responsibility are:

- infrastructure, local government and planning and trade and investment
- state development and natural resources and mines
- housing and public works.²

1.2 The referral and inquiry process

On 14 June 2016, the Appropriation Bill 2016 and the estimates for the committee's area of responsibility were referred to the committee for investigation and report.³

On 20 July 2016, the committee conducted a public hearing and took evidence about the proposed expenditure from the Deputy Premier and Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment; the Minister for State Development and the Minister for Natural Resources and Mines; the Minister for Housing and Public Works; and other witnesses. A copy of the transcript of the Committee's hearing can be accessed at <http://www.parliament.qld.gov.au/work-of-assembly/sitting-dates/dates/2016/2016-07-20>.

Prior to the hearing, the committee put questions on notice to the Deputy Premier and Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment; the Minister for State Development and Minister for Natural Resources and Mines; and the Minister for Housing and Public Works. The questions, and the answers provided by the Ministers, are available at <http://www.parliament.qld.gov.au/work-of-committees/committees/IPNRC/inquiries/current-inquiries/Estimates2016>.

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

- budget papers
- answers to pre-hearing and hearing questions taken on notice, and
- evidence provided at the hearing.

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

Answers provided by the Ministers to the committee's pre-hearing questions on notice, documents tabled during the hearing, answers provided by Ministers to questions taken at the hearing, and

¹ *Parliament of Queensland Act 2001* (Qld), s 88 and Standing Order 194.

² Standing Rules and Orders, Schedule 6. The schedule provides that departments, statutory authorities, government owned corporations and other administrative units related to the relevant Minister's responsibilities regarding these areas are included.

³ Queensland Parliament, Record of Proceedings, 14 June 2016, pp 2268-2277. 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.

minutes of the committee's meetings are included in a volume of additional information tabled with this report.

1.3 Other Members

The committee gave leave for other Members of Parliament to ask questions at the hearing. The following Members asked questions at the committee's hearing:

- Mr Stephen Bennett, Member for Burnett
- Mrs Deb Frecklington, Deputy Leader of the Opposition and Member for Nanango
- Mr Andrew Cripps, Member for Hinchinbrook
- Mrs Jo-Ann Miller, Member for Bundamba
- Mr Andrew Powell, Member for Glass House
- Mr Rob Pyne, Member for Cairns
- Mr Ian Walker, Member for Mansfield

2. Recommendation

Standing Order 187(1) requires the committee to state whether the proposed expenditures referred to it are agreed to.

Recommendation 1

The committee recommends that the proposed expenditures, as detailed in the Appropriation Bill 2016 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3. Deputy Premier and Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment

The Deputy Premier and Minister for Infrastructure, Local Government and Planning and Minister for Trade and Investment has responsibility for the Department of Infrastructure, Local Government and Planning and a number of statutory authorities and a commercialised business unit.

3.1 Department of Infrastructure, Local Government and Planning

The Department of Infrastructure, Local Government and Planning (DILGP) has four service areas:

- Local Government
- Funding Programs and Community Initiatives
- Infrastructure Policy and Planning
- Better Planning for Queensland.⁴

The following table shows the appropriations for DILGP for 2015-16 and 2016-17.

Appropriations	Budget 2015-2016 \$'000	Est. Actual 2015-2016 \$'000	Vote 2016-2017 \$'000
<i>Controlled Items</i>			
departmental services	302,837	193,050	340,030
equity adjustment	36,550	14,014	79,014
<i>Administered Items</i>	1,151,569	746,592	877,379
Vote	1,490,956	953,656	1,296,423

Source: Appropriation Bill 2016, Schedule 2, p 9.

3.1.1 Service area highlights

2016-17 service area highlights identified by DILGP include:

- governance, fraud management and financial reporting training for local government staff
- reviewing the councillor conduct complaint process
- funding programs to support Indigenous councils
- coordinating and monitoring delivery of the \$2 billion State Infrastructure Fund
- monitoring and reporting on the delivery of the \$180 million Significant Regional Infrastructure Projects Program
- developing proposals that were identified through community consultation on the State Infrastructure Plan from a \$20 million fund allocated for Maturing the Infrastructure Pipeline Program

⁴ Queensland Budget 2016-17, Department of Infrastructure, Local Government and Planning, *Service Delivery Statements*, p 1.

- embedding the Infrastructure Portfolio Office functions across government to monitor the implementation of the State Infrastructure Plan, and drive infrastructure innovation and best-practice across the Queensland Government
- developing and implement a value capture/sharing policy and alternative funding models that leverage investments more effectively
- completing the integrated review of the State Planning Policy, the State Development Assessment Provisions and the Planning Regulation to ensure these instruments are working effectively prior to the commencement of the *Planning Act 2016*
- producing a draft South East Queensland Regional Plan
- introducing a statewide development assessment framework to facilitate investment in wind farms to contribute to the Government’s renewable energy objectives.⁵

3.1.2 Agencies

The Deputy Premier has ministerial responsibility for Building Queensland, the Queensland Reconstruction Authority, South Bank Corporation, Trade and Investment Queensland and Economic Development Queensland.

Building Queensland

Building Queensland was established on 3 December 2015.⁶ It provides independent expert advice to the State on matters relating to infrastructure in Queensland.⁷

Queensland Reconstruction Authority

The Queensland Reconstruction Authority (QRA) was established in 2011.⁸ It coordinates and manages the rebuilding and recovery of communities affected by disasters, including the repair and rebuilding of community infrastructure and other property.⁹

The QRA identified key priorities for 2016-17 which include:

- ensuring the ongoing delivery of Queensland’s Natural Disaster Relief and Recovery Arrangements (NDRRA) reconstruction works arising from the 2015 and 2016 events, including the 2015 \$20 million Betterment Fund, allocated to local government authorities for assistance following Tropical Cyclone Marcia, to build infrastructure back to a more disaster-resilient standard
- managing close-out, acquittal and Commonwealth reimbursement processes related to Queensland’s natural disaster events for the relevant financial year/s

⁵ Queensland Budget 2016-17, Department of Infrastructure, Local Government and Planning, *Service Delivery Statements*, pp 4, 7, 9, 11.

⁶ Queensland Budget 2016-17, Department of Infrastructure, Local Government and Planning, *Service Delivery Statements*, p 33.

⁷ *Building Queensland Act 2015*, s 3.

⁸ *Queensland Reconstruction Authority Act 2011*. In 2015, it became a permanent Queensland Government agency: *Local Government and Other Legislation Amendment Act 2015*, s 25.

⁹ *Queensland Reconstruction Authority Act 2011*, s 3(a).

- leading ongoing development of Queensland’s flood risk management policy and work with local governments to implement recommendations of the Queensland Floods Commission of Inquiry and the 2015 Flood Warning Gauge Network Review.¹⁰

South Bank Corporation

South Bank Corporation has responsibility for, amongst other things, ownership and management of:

- the Brisbane Convention and Exhibition Centre
- the Parklands car park
- retail and short term commercial leasing and retail marketing
- road and footpath ownership and management
- statutory planning for the Corporation area and planning assessment for the Southpoint development.¹¹

Trade and Investment Queensland

Trade and Investment Queensland (TIQ) has functions which include facilitating, encouraging, promoting, identifying, attracting and developing trade and investment opportunities.¹²

TIQ’s plans for 2016-17 include:

- collaborating with other state government agencies in attracting foreign investment in Queensland
- working with other government agencies to position Queensland globally as a leader in a number of industries, with a particular focus on international education, biofuels, agriculture, mining technology, energy and resources, life sciences, medical technology and creative industries
- promoting Queensland as a preferred destination in Australia for business and skilled migrants.¹³

Economic Development Queensland

Economic Development Queensland is a commercialised business unit of the department. It is a specialist land use planning and property development unit which facilitates economic development and development for community purposes.¹⁴

Amongst the projects EDQ identified to be delivered or facilitated by EDQ in 2016-17 are:

¹⁰ Queensland Budget 2016-17, Department of Infrastructure, Local Government and Planning, *Service Delivery Statements*, pp 34-35.

¹¹ Queensland Budget 2016-17, Department of Infrastructure, Local Government and Planning, *Service Delivery Statements*, p 42.

¹² *Trade and Investment Queensland Act 2013*, s 10.

¹³ Queensland Budget 2016-17, Department of Infrastructure, Local Government and Planning, *Service Delivery Statements*, p 48.

¹⁴ Queensland Budget 2016-17, Department of Infrastructure, Local Government and Planning, *Service Delivery Statements*, p 60.

- completing construction and releasing the 10-lot final stage of the Crestmead Industrial Estate to help generate investment and support jobs in the Crestmead, Browns Plains and Marsden areas
- further developing the urban renewal project at Northshore Hamilton, including the opening of a new public park and commencement of over \$50 million of public infrastructure works
- commencing over \$30 million of public infrastructure works at Yeerongpilly Green in Brisbane
- executing the Infrastructure Agreement with Unity Water to further enable development within the Caloundra South PDA and resolving infrastructure funding options for the Yarrabilba and Greater Flagstone PDAs.¹⁵

3.1.3 Issues raised at the public hearing

Issues raised by the committee at the public hearing included:

- Cross River Rail rolling stock and business case
- State Infrastructure Fund
- councillor conduct complaints
- capital works program
- Significant Regional Infrastructure Projects Program
- TIQ assistance to the Queensland dairy industry
- State Infrastructure Plan
- value capture
- transparency and accountability in local government
- Townsville Eastern Access Rail Corridor
- Economic Development Queensland
- Springvale Station
- city deals
- TIQ offices in Singapore and Chengdu, China
- Building Queensland
- Queensland as a study destination
- South East Queensland Regional Plan
- Better Planning for Queensland

¹⁵ Queensland Budget 2016-17, Department of Infrastructure, Local Government and Planning, *Service Delivery Statements*, p 60.

- council controlled entities
- trade and investment missions
- a regional plan for North Queensland
- infrastructure charges
- MyDAS
- TIQ chair
- tree clearing
- Quandamooka people
- 2014-15 NDRRA state claim
- Trade and Investment commissioner in China
- capital purchases
- thermal coal mines

4. Minister for State Development and Minister for Natural Resources

The Minister for State Development and Minister for Natural Resources has responsibility for the Department of State Development and the Department of Natural Resources and Mines.

4.1 Department of State Development

The Department of State Development (DSD) has two service areas:

- Driving Enterprise Development, Economic Development, Economic Growth and Job Creation
- Assessing, Approving, Facilitating and Delivering Major Projects.¹⁶

The following table shows the appropriations for DSD for 2015-16 and 2016-17.

Appropriations	Budget 2015-2016 \$'000	Est. Actual 2015-2016 \$'000	Vote 2016-2017 \$'000
<i>Controlled Items</i>			
departmental services	394,882	140,630	310,513
equity adjustment	(47,009)	(27,341)	6,355
<i>Administered Items</i>	2,500	2,500	2,500
Vote	350,373	115,789	319,368

Source: Appropriation Bill 2016, Schedule 2, p 11.

4.1.1 Service area highlights

2016-17 service area highlights identified by DSD include:

- developing 10-year roadmaps and action plans for the growth of emerging and priority sectors with global growth potential as part of the Advance Queensland program
- leading delivery of actions under the Biofutures Roadmap
- delivering critical infrastructure through the Queensland Government's Regional Infrastructure Fund, Building our Regions
- developing regional Economic Future Plans
- leading investigations and planning for the creation of State Development Areas for placement of particular industries, and water supply investigations and facilitation of private sector common-user infrastructure projects to support key industries
- finalising the North Stradbroke Island Economic Transition Strategy
- continuing the preliminary site investigations for Queen's Wharf Brisbane so as to deliver vacant possession to the proponent on 1 January 2017

¹⁶ Queensland Budget 2016-17, Department of State Development, *Service Delivery Statements*, p 1.

- completing the construction of the Gold Coast 2018 Commonwealth Games sporting venues and continue development of the Gold Coast 2018 Commonwealth Games village
- supporting the development and implementation of the legislative and policy framework to manage the social and economic impacts of fly-in fly-out work practices in regional resource communities
- progressing funding discussions for the North Queensland stadium with the Australian Government, Townsville City Council, the National Rugby League and other potential contributors
- completing the construction of the \$18 million Bundaberg Gas Pipeline.¹⁷

4.2 Department of Natural Resources and Mines

The Department of Natural Resources and Mines (DNRM) has two service areas:

- Natural Resource Management
- Minerals and Energy Resources.¹⁸

The following table shows the appropriations for DNRM for 2015-16 and 2016-17.

Appropriations	Budget 2015-2016 \$'000	Est. Actual 2015-2016 \$'000	Vote 2016-2017 \$'000
<i>Controlled Items</i>			
departmental services	321,291	327,612	331,831
equity adjustment	10,051	2,968	(2,783)
<i>Administered Items</i>	1,100	1,100	1,300
Vote	332,442	331,680	330,348

Source: Appropriation Bill 2016, Schedule 2, p 10.

4.2.1 Service area highlights

2016-17 service area highlights identified by DNRM include:

- developing a new legislative management framework for managing travelling stock and grazing on Queensland's stock route and road network
- continuing water planning activities including:
 - putting in place a water allocation and management framework for Cape York
 - implementing the Murray-Darling Basin Plan for Queensland's basin catchments in the Moonie
 - replacing the Great Artesian Basin water planning instruments

¹⁷ Queensland Budget 2016-17, Department of State Development, *Service Delivery Statements*, pp 3, 4, 6.

¹⁸ Queensland Budget 2016-17, Department of Natural Resources and Mines, *Service Delivery Statements*, p 1.

- initiating release of unallocated water in the Fitzroy Basin to provide for regional economic growth in the agricultural sector
- releasing Queensland Globe 2.0 and QImagery
- appointing a Resource Investment Commissioner
- developing an economic blueprint for the North-West Queensland Minerals Province
- developing a Gas (Supply and Demand) Action Plan
- reducing the number of registered abandoned mines
- completing the review of the respiratory component of the Coal Mine Workers' Health Scheme
- engaging with the Council of Australian Governments to harmonise explosives laws and undertake Queensland legislative amendments to improve explosives security and safety.¹⁹

4.2.2 Issues raised at the public hearing

Issues raised by the committee in relation at the public hearing included:

- 2018 Gold Coast Commonwealth Games venues
- Townsville Stadium
- job creation
- North Stradbroke Island Economic Transition Strategy
- Big Rocks project
- investment in regional communities
- Carmichael rail and coal project
- biofuels
- renewable energy projects
- Building our Regions
- departmental employees
- Hells Gate Dam
- fly-in fly-out work practices
- Queen's Wharf Brisbane
- coal workers' pneumoconiosis
- Mines Inspectorate

¹⁹ Queensland Budget 2016-17, Department of Natural Resources and Mines, *Service Delivery Statements*, pp 3, 5.

- assistance for mining and exploration companies
- high resolution satellite imagery
- Land Court
- ethanol plants
- Collingwood Park mine subsidence
- release of unallocated water
- complaints relating to on-ground impacts of resource development
- Etheridge Integrated Agriculture Project
- vegetation management
- Great Artesian Basin

5. Minister for Housing and Public Works

The Minister for Housing and Public Works has responsibility for the Department of Housing and Public Works, two statutory bodies and two commercialised business units.

5.1 Department of Housing and Public Works

The Department of Housing and Public Works (DHPW) has three service areas:

- Housing Services
- Government Accommodation and Building Policy Services
- Procurement Services.²⁰

The following table shows the appropriations for DHPW for 2015-16 and 2016-17.

Appropriations	Budget 2015-2016 \$'000	Est. Actual 2015-2016 \$'000	Vote 2016-2017 \$'000
<i>Controlled Items</i>			
departmental services	680,059	600,213	757,704
equity adjustment	180,881	42,669	259
<i>Administered Items</i>	3,468	2,455	3,553
Vote	864,408	645,337	761,516

Source: Appropriation Bill 2016, Schedule 2, p 9.

5.1.1 Service area highlights

2016-17 service area highlights identified by DPHW include:

- developing and implementing a new ten-year housing strategy for Queensland
- implementing the National Partnership on Remote Housing
- working with the Australian Government to support the provision of housing for people with disability
- growing and renewing the social and affordable housing portfolio
- implementing new smoke alarms requirements
- progressing necessary amendments to the *Retirement Villages Act 1999* and the *Manufactured Homes (Residential Parks) Act 2003* to improve consumer protection and increase understanding of rights and responsibilities
- implementing the Government's response to the *Not Now, Not Ever* report, including providing two additional shelters for women and children escaping violence

²⁰ Queensland Budget 2016-17, Department of Housing and Public Works, *Service Delivery Statements*, p 1.

- implementing reforms to the Home Warranty Insurance Scheme in partnership with the Queensland Building and Construction Commission
- developing and implementing a state-wide leasing agency support arrangement to streamline property inspection and maintenance services at tenant change-over times for government employee housing
- implementing recommendations from the Interdepartmental Committee Review of Queensland Government Procurement.²¹

5.1.2 Agencies

The Minister for Housing and Public Works has ministerial responsibility for the Queensland Building and Construction Commission, the Residential Tenancies Authority, Building and Asset Services and QFleet.²²

Queensland Building and Construction Commission

The Queensland Building and Construction Commission regulates the building industry in Queensland.²³

Residential Tenancies Authority

The Residential Tenancies Authority (RTA) administers the *Residential Tenancies and Rooming Accommodation Act 2008* (RTRA Act) which regulates the residential rental sector in Queensland.²⁴

In 2016-17, the RTA intends, amongst other things, to:

- launch the myRTA client portal which will give clients fast and secure access to online bond management
- engage with the sector about the legislative review of the RTRA Act including public consultation on prescribing minimum standards.²⁵

Building and Asset Services

Building and Asset Services is involved in procurement and contract management of building, construction and maintenance services for the Queensland Government.²⁶

QFleet

QFleet is the owner and manager of the Queensland Government's 9,800 passenger and light commercial vehicles.²⁷

²¹ Queensland Budget 2016-17, Department of Housing and Public Works, *Service Delivery Statements*, pp 4, 5, 7, 9.

²² Queensland Budget 2016-17, Department of Housing and Public Works, *Service Delivery Statements*, pp 1-2.

²³ Queensland Building and Construction Commission, 'About us: overview': <http://www.qbcc.qld.gov.au/about-us/overview>. All links in this report were accessed on 11 August 2016.

²⁴ Queensland Budget 2016-17, Department of Housing and Public Works, *Service Delivery Statements*, p 43.

²⁵ Queensland Budget 2016-17, Department of Housing and Public Works, *Service Delivery Statements*, p 43.

²⁶ Department of Housing and Public Works, 'About us: Business areas - Building and Asset Services': <http://www.hpw.qld.gov.au/aboutus/BusinessAreas/PWAM/BuildingAssetServices/Pages/default.aspx>.

²⁷ Queensland Budget 2016-17, Department of Housing and Public Works, *Service Delivery Statements*, p 61.

In 2016-17, Qfleet intends, amongst other things, to:

- deliver a car sharing model in the Brisbane CBD to improve the utilisation of the Queensland Government vehicles located in the area
- implement a QFleet environmental policy for the Queensland Government vehicle fleet that will include introducing a number of initiatives specifically aimed at reducing greenhouse gas emissions.²⁸

5.1.3 Issues raised at the public hearing

Issues raised by the committee at the public hearing included:

- proposed vegetation management laws
- staffing and operation of Queensland Building and Construction Commission
- procurement processes
- fencing of public housing
- privatisation of public housing
- Logan Renewal Initiative
- 1 William Street
- Queensland Housing Strategy
- government employee housing
- QFleet fleet numbers
- availability of public housing
- staffing in regional areas
- remote housing
- Interdepartmental Committee review of Queensland Government procurement
- housing affordability

²⁸ Queensland Budget 2016-17, Department of Housing and Public Works, *Service Delivery Statements*, p 61.

Statement of Reservation

The Palaszczuk Labor Government's second budget is best characterised as a budget of raids, write-downs and rip-offs with no long-term cohesive economic plan to create jobs and grow the Queensland economy.

Infrastructure

In yet another display of a lack of transparency from the Palaszczuk Labor Government, the true costs of the Government's number one infrastructure priority have been hidden and Queenslanders are in still in the dark about who will fill the financial hole for a tunnel with no trains.

The Opposition tabled a document during the proceedings that showed \$5,400,000,000 has been excluded from Building Queensland's financial and affordability assessment of the Cross River Rail project. This \$5,400,000,000 of costs relates to the trains required to provide the additional services that generate the benefits of the Cross River Rail project. It was disappointing the Deputy Premier was more concerned about where the information that prompted these questions came from than actually responding to the substantive issue Queenslanders want an answer to, that being the \$5,400,000,000 billion of missing costs.

No clarity was provided on how the Government will fund the \$4,600,000,000 black hole for the project. Additionally, no clarity was offered on the 'in-principle' nature of Labor's 'commitment' to the Cross River Rail project. It is indicative of this government's failure to deliver infrastructure for Queenslanders that its number one infrastructure priority and major commitment is still missing a further \$4,600,000,000 to construct the project. Then of course there's the additional billions required to operate the stations and maintain the trains.

Although Labor says it wants to have a conversation with Queenslanders about increased taxes, real answers weren't provided to the LNP's questions about value capture and value sharing. It is not clear how Labor can have a conversation without releasing the secret business case which contains six new taxes to fund the \$4,600,000,000 black hole for its number one infrastructure project.

The CEO of Building Queensland would not say whether the \$1,000,000,000 benefited area levy or the \$2,600,000,000 public transport levy modelled in the Cross River Rail Business Case were new taxes. The CEO of Building Queensland was also unable to say how many households would be slugged with the public transport levy expected to raise \$2,600,000,000 in the Cross River Rail Business Case. Eventually this embarrassing line of questioning for the Government was shut down when the CEO of Building Queensland was asked about the assumptions that sit behind the \$2,600,000,000 public transport levy and also the assumptions that sit behind the \$1,000,000,000 ticket levy on public transport users. It seems this conversation with Queenslanders is commercial in confidence and cabinet-in-confidence.

Although the 2016/17 Budget has been billed as an infrastructure budget, it fails to deliver any major new infrastructure projects. Additionally, the in 2015/16 Labor had the lowest infrastructure spend as a percentage of Gross State Product in living memory. In fact the Deputy Premier in response to a question taken on notice couldn't identify a lower actual historical spend on infrastructure in Queensland.

Trade

Embarrassingly for the Premier, the acting CEO of Trade and Investment Queensland admitted that no analysis was done on establishing a third trade office in China. The LNP is concerned that taxpayer money is being directed into a new trade office in Chengdu instead of other markets based on no advice or analysis by Trade and Investment Queensland - a body that employs 128 full time

staff and will receive over \$35,000,000 in 2016/17. The LNP also raised concerns about the adequacy of the budget allocation for establishing and running the new offices in Chengdu and Singapore. There was also general confusion from the Deputy Premier about the selection process for former Labor Minister Steve Bredhauer who was appointed by the Palaszczuk Labor Government to be Chair of Trade and Investment Queensland.

Local Government

The Director General advised the Committee that the standard process for investigating complaints about a Local Government office bearer regarding misconduct is for the complaint to first be investigated by the Chief Executive Officer (CEO) of the relevant council and then referred to the Director General to determine whether a further investigation is required under the Crime and Corruption Act 2001. The Director General confirmed that this standard process wasn't followed during the 2016 Local Government election campaign when Brisbane City Council Lord Mayor Graham Quirk was referred to the Crime and Corruption Commission (CCC). In this instance, the Director General referred Cr Quirk without a completed investigation from the CEO.

The LNP is concerned about the damage that a referral to the CCC can have on an individual, especially when this coincides with an election. We await the outcome of the Palaszczuk Labor Government's review into the councillor complaint process and expect the findings of the review to be released to the Queensland public immediately.

State Development

The LNP remains concerned about the substantial underspend on capital works for Commonwealth Games venues. The Government maintains that the venues will be ready for the games but this ignores that many economic benefits will be lost if the venues aren't ready in accordance with the original schedule so that trial events and training camps can be held.

The LNP is disappointed that the Minister didn't accept personal responsibility for the massive underspend of \$248,000,000—or 75 per cent of the budget—and its failure to drive business development, economic growth and job creation, despite the Minister advising the Committee at the Estimates Hearing in 2015 that he was accelerating this work.

The main driver for this underspend, which has cost Queenslanders jobs, is Labor's failing Building our Regions program. Less than one per cent of funds allocated for this program in the 2015/16 State Budget were spent. Only \$406,000 out of \$70,000,000 made it out the door, despite the Department having more employees than its budgeted headcount. Using Queensland Treasury's job estimation methodology, which is 3.1 jobs per \$1 million capital investment, only 1.2 jobs would have been generated by the \$406,000, but 215 more jobs could have generated had the budgeted funds actually been spent.

Natural Resources and Mines

The Palaszczuk Government has not increased the number of full time equivalent employee numbers within the Department of Natural Resources and Mines after two budget cycles in office, despite the Member for Inala stating in 2012 that at current staffing levels, its ability to protect the environment would be impacted. The Minister confirmed the department was able to perform its role at current staffing levels, contradicting the Member for Inala's 2012 statement to the contrary.

The LNP Opposition shares the concerns of others relevant stakeholders about the re-emergence of cases of coalminers' pneumoconiosis in Queensland. The Director General confirmed that concerns about potential coal dust exposure had not been raised by Industry Safety and Health

Representatives, nor by the CFMEU with the department or the Mines Inspectorate in the lead up to the very concerning diagnoses of these most recent incidents of coalminers' black lung.

The Minister disagreed with the Member for Bundamba that a Royal Commission was required to investigate the re-emergence of cases of coalminers' pneumoconiosis in Queensland. The Minister and the Commissioner for Mine Safety and Health both expressed confidence in the Department and the Mines Inspectorate and its ability to administer Queensland's mine safety legislation. The Minister disagreed with the Member for Bundamba that the Department had failed to administer the law.

The Minister confirmed the Palaszczuk Government's decision to grant the mineral and coal exploration sectors a 50 per cent exploration expenditure concession over two years has resulted in Queensland missing out on about \$274 million in exploration investment. This is despite the Minister confirming that a Financial and Technical Capability assessment is undertaken prior to the granting of exploration permits to ensure that companies have the financial capacity to complete work programs.

The Palaszczuk Government's failure to provide any new funding for a precompetitive resource exploration initiative is a serious concern. This abandons a decade of bi-partisan support to provide incentives for precompetitive resource exploration activities and projects. Since the Smart Exploration program in 2006, through to the former LNP Government's Future Resources program, support to encourage the discovery of new mineral and energy resources has been forthcoming, until now.

The Minister was forced to admit the commitments he had given to rural stakeholders about the consultation process on the Palaszczuk Government's proposed changes to Queensland's vegetation management framework had not been fulfilled. The Minister had repeatedly given undertakings to the house that the consultation process would involve a report and recommendations from a stakeholder roundtable. The Minister confirmed that a report has not been provided.

The Minister could not confirm that the MoU between the Palaszczuk Government and IFED for the Etheridge Integrated Agriculture Project proposes to provide water resources on the basis of an 'average annual diversion', despite the document clearly spelling out that this was the case. The Minister could not confirm that the 'annual average diversion' condition was not equivalent to other water entitlements that carry a daily and annual volumetric limit and stream flow conditions.

Housing and Public Works

Questioning of the Minister identified there are significant concerns across a number of Government Departments with regard to Labor's proposed changes to the State's vegetation management laws. While such changes obviously have an impact in rural and regional settings, it is now also apparent that there are genuine concerns as to the prospective impact in urban settings, including the prospect of increased costs in the provision of public housing.

The Committee was also advised that due to ongoing issues with the roll-out of the QBCC's service delivery transformation program just 39 per cent of insurance claims for defective work assessed and a response provided within 35 days. This is just one of many IT projects that appear to be in trouble within the portfolio.

The Minister took a Question On Notice regarding the Department being invoiced for materials which were not supplied. His answer, whilst confirming such situations had occurred was utterly evasive and set a new benchmark in terms of not displaying openness and accountability. Rather than using the answer to assure the Committee procurement processes within the Department were sound, the Minister's non-answer only draws in a shadow of doubt over what exactly has transpired under the Minister's tenure.

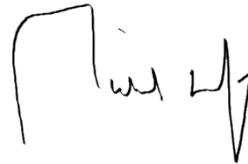
The Director- General was also able to reveal Labor’s “no asset sales” mantra before the last election was little more than a slogan. In reality the State Government is selling government housing in order to fund backlog maintenance programs.

Under Labor 115 Government owned properties had either been sold or were short-listed for sale in the future. Non-Government members questioning has revealed:

- 60 properties had already been sold for \$16.7 million
- 6 more properties were currently under contract
- 19 properties were currently on the market
- 30 more properties were short-listed to go to market in the near future



Mark Robinson MP
Deputy Chair



Michael Hart MP
Member for Burleigh