



2022-2023 Budget Estimates

Report No. 24, 57th Parliament

State Development and Regional Industries Committee

August 2022

State Development and Regional Industries Committee

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Deputy Chair	Mr Jim McDonald MP, Member for Lockyer
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Chair's foreword

This report presents a summary of the committee's examination of the budget estimates for the 2022-23 financial year.

The committee has recommended that the proposed expenditure, as detailed in the Appropriation Bill 2022 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

The budget estimates process plays a key role in the parliamentary scrutiny of the government. It provides for the public examination of responsible Ministers and Chief Executive Officers and the operations of government through questions on notice and the public hearing process.

On behalf of the committee, I thank:

- the Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure
- the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities
- the Minister for Regional Development and Manufacturing and Minister for Water, and
- senior public officials for their participation in the process.

I also thank my fellow committee and visiting members for their contributions, and all Parliamentary Service staff who facilitated the process this year.



Chris Whiting MP

Chair

1 Introduction

1.1 Role of the committee

The State Development and Regional Industries Committee (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 (Standing Orders).¹

The committee's primary areas of responsibility include:

- State Development, Infrastructure, Local Government and Planning
- Agricultural Industry Development, Fisheries and Rural Communities
- Regional Development, Manufacturing and Water.

The committee also has oversight functions in relation to the Independent Assessor.

A key function of the committee is to consider the budget estimates for the committee's areas of responsibility. This report summarises the estimates referred and issues considered during the inquiry.

1.2 Appropriation Bill 2022

On 22 June 2022, the Appropriation Bill 2022 and the estimates for the committee's area of responsibility were referred to the committee for investigation and report.²

In considering the estimates, the committee conducted a public hearing on 27 July 2022 and took evidence about the proposed expenditure from the:

- Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure
- Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities
- Minister for Regional Development and Manufacturing and Minister for Water, and
- Senior public officials including Director-Generals and Chief Executive Officers of entities listed in Schedule 7 of the Standing Rules and Orders of the Legislative Assembly.

The committee also considered the budget papers and responses to 20 pre-hearing questions on notice to each Minister.

All documents including transcripts of the hearing, answers to questions on notice and tabled papers are available in the Volume of Additional Information and published on the committee's website.

1.3 Participating members

The committee granted leave for the following members to participate in the hearing:

- Jarrod Bleijie MP, Member for Kawana
- Ann Leahy MP, Member for Warrego
- Tony Perrett MP, Member for Gympie

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

² 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.

- Deb Frecklington MP, Member for Nanango
- Jon Krause MP, Member for Scenic Rim
- Michael Berkman MP, Member for Maiwar
- Dr Amy MacMahon MP, Member for South Brisbane

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 Bill 2022 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3 Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure

3.1 Department of State Development, Infrastructure, Local Government and Planning

The Honourable Dr Steven Miles MP, Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure (Deputy Premier) is responsible for the Department of State Development, Infrastructure, Local Government and Planning.

The department has 5 service areas:

- **Develop the economy** – Attract and facilitate investment opportunities and industry development to provide enduring economic benefits for Queenslanders
- **Infrastructure and regional strategy, policy and planning** – Drive the infrastructure agenda for the state through the development and implementation of infrastructure and regional strategies, and advancement of capital planning and robust proposal development
- **Local Government governance support and administration of funding programs** – Stronger local governance in the local government system through capacity building and administration of funding programs
- **Office of the Independent Assessor** – Enhance the integrity of the local government system by administering the councillor complaints framework
- **Better planning for Queensland** – Drive an effective and efficient planning system underpinned by a responsive framework and accessible and transparent planning requirements.³

3.1.1 Appropriations for 2022-23

The proposed appropriation for 2022-23, compared to the 2021-22 budget is set out in the table below.

Appropriations 2022-23 – Department of State Development, Infrastructure, Local Government and Planning

Department of State Development, Infrastructure, Local Government and Planning	Budget 2021-22 \$'000	Est. Actual 2021-22 \$'000	Vote 2022-23 \$'000
<i>Controlled Items</i>			
departmental services	727,035	646,685	793,829
equity adjustment	(4,295)	139,117	25,618
<i>Administered Items</i>	1,069,112	1,580,288	1,687,679
Vote	1,791,852	2,366,090	2,507,126

Source: Appropriation Bill 2022, Schedule 2, p 12.

3.1.2 Budget highlights

2022-23 budget highlights for the department include:

³ 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 1.

- progressing the planning, validation, coordination, and delivery of the Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032) Master Plan and associated Olympics Infrastructure
- implementing 10-year industry roadmaps and action plans and 5-year strategies for priority and emerging sectors with global growth potential and which can continue to support Queensland's recovery from COVID-19
- implementing the \$3.34 billion Queensland Jobs Fund, the Industry Partnership Program and associated industry development grant programs for sectors such as hydrogen, defence and aerospace and resource recovery
- delivering the Regional Infrastructure Planning program to set ambitious social and economic aspirations for Queensland's regions and provide strong investment signals to industry and councils about enabling infrastructure to realise regional priorities.
- Improving the integrity of council elections by supporting the introduction of a Bill to establish electoral caps and grow councillor and council officer capacity through the launch of the Local Government Knowledge Centre Training website.⁴

3.1.3 Staffing

The following table sets out full time equivalents (FTEs) for 2022-23, compared to 2021-22.

Staffing 2022-23– Department of State Development, Infrastructure, Local Government and Planning

Department of State Development, Infrastructure, Local Government and Planning	Adjusted Budget 2021-22	Est. Actual 2021-22	Budget 2022-23
Total FTEs	889	882	870

Notes: Variances are primarily due to contributions to the whole-of-government pool of unallocated FTE positions.

Source: 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 10.

3.1.4 Capital program

Capital purchases of \$5.7 million and capital grants of \$342.2 million in 2022-23 are allocated in the appropriation. Highlights include:

- \$88.2 million as part of the \$1 billion Works for Queensland program
- \$50 million towards the \$195 million Haughton Pipeline Stage 2
- \$46 million for the Resources Community Infrastructure Fund
- \$36.1 million for the Local Government Grants and Subsidies Program.⁵

3.2 Economic Development Queensland

The Deputy Premier also has responsibility for Economic Development Queensland, a commercialised business unit within the Department with responsibility for facilitating economic development for community purposes.

3.2.1 Summary income statement

The table below sets out the estimated budget for 2022-23, compared to 2021-22.

⁴ 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 2.

⁵ 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 10.

Summary Income Statement – Economic Development Queensland

Economic Development Queensland	Budget 2021-22 \$'000	Est. Actual 2021-22 \$'000	Budget 2022-23 \$'000
Total income	111,751	128,623	146,210
Total expenses	120,679	138,804	152,985
Operating Surplus/(Deficit)	(6,250)	(6,897)	(4,742)

Source: 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 25.

3.2.2 Budget highlights

Key deliverables outlined in the 2022-23 budget include:

- construction of the Vaxxas purpose-built biomedical facility at Northshore Hamilton
- investment of up to \$30 million and completion of Stage 2 of the Sunshine Coast Industrial Park in Caloundra to support the development of 41 new industrial lots
- construction of 48 net zero energy emission terrace homes at Carseldine Village and delivery of civil, electrical and landscape works to facilitate development of a further 56 homes.⁶

3.2.3 Capital program

Capital purchases of \$163.1 million have been allocated in the 2022-23 budget. Highlights include:

- \$48.7 million towards the Gladstone State Development Area
- \$35.8 million towards urban renewal at Northshore Hamilton.⁷

3.3 Queensland Reconstruction Authority

The Deputy Premier has responsibility for the Queensland Reconstruction Authority, a statutory body with responsibility for improving the resilience of Queensland communities and facilitating locally led disaster recovery.

3.3.1 Summary income statement

The table below sets out the estimated budget for 2022-23 compared to 2021-22.

Summary Income Statement – Queensland Reconstruction Authority

Queensland Reconstruction Authority	Budget 2021-22 \$'000	Est. Actual 2021-22 \$'000	Budget 2022-23 \$'000
Total income	745,765	854,408	1,499,635
Total expenses	745,765	854,408	1,499,635
Operating Surplus/(Deficit)	0	0	0

⁶ 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 21.

⁷ 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 23.

Source: 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 32.

3.3.2 Budget highlights

The key deliverables outlined in the 2022-23 budget include:

- acquitting the 2021-22 claim to the Australian Government under the Disaster Recovery Funding Arrangements to secure the Australian Government’s contribution to the state’s recovery
- coordinating activities, including the Resilient Homes Fund, for communities that have been impacted by disasters, including the SEQ Rainfall and Flooding event in February/March 22.⁸

3.3.3 Capital program

The Queensland Reconstruction Authority will facilitate capital grants of \$927.8 million in 2022-23. Highlights include:

- \$898.6 million for Disaster Recovery Funding Arrangements to be paid to councils and Queensland government agencies for reconstruction from natural disaster events between 2019 and 2022. This program is jointly funded by the Queensland and Australian governments.⁹

3.4 South Bank Corporation

The Deputy Premier has responsibility for the South Bank Corporation, a statutory body with responsibility for innovating, managing and maintaining the South Bank precinct.

3.4.1 Summary income statement

The table below sets out the estimated budget for 2022-23 compared to 2021-22.

Summary Income Statement – South Bank Corporation

South Bank Corporation	Budget 2021-22 \$'000	Est. Actual 2021-22 \$'000	Budget 2022-23 \$'000
Total income	63,637	67,151	79,151
Total expenses	92,160	90,671	103,306
Operating Surplus/(Deficit)	(28,523)	(23,520)	(24,155)

Source: 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 37.

3.4.2 Budget highlights

The key deliverables outlined in the 2022-23 budget include:

- supporting retail tenants and investigating new revenue streams
- working with Brisbane Convention and Exhibition Centre manager to attract and deliver events across the year, whilst supporting the return to full operations post COVID-19 and flood recovery

⁸ 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 28.

⁹ 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 30.

- progressing a new master plan for the South Bank Corporation area.¹⁰

3.5 Key issues raised at the public hearing

Issues raised by the committee and participating members included:

State Development

- Financial details relating to the Queensland Regional Accommodation Centre at Wellcamp, including capital and leasing costs; occupancy levels; and alternative uses for the development
- Delivery of 10 Year Roadmaps and Action Plans for advanced manufacturing, aerospace and defence, biofutures and mining technology sectors
- Status of Priority Development Areas
- Resources Community Infrastructure Fund grants including funding commitments to date
- Selection process for the department's Director-General
- Potential impacts of Olympic infrastructure on East Brisbane State School.

Infrastructure and Planning

- Release of the State Infrastructure Strategy including industry engagement activities
- Impact of infrastructure spending on employment in regional Queensland benefits of land use and infrastructure planning in Caboolture West
- Benefits of 2032 Olympics infrastructure for rural and regional Queensland
- Nature of working relationships between ministerial staff and departmental officials
- Government procurement policy and the impact of supply chain and workforce shortages
- Planning for South East Queensland's growing urban population through the South East Queensland Regional Plan and measures to address housing affordability and land supply
- Management of public and private assets (including energy assets) and opportunities for industry enablement
- Queensland's flood recovery efforts including remediation projects and measures to better protect flood-prone areas
- Status of transactions under the Investment Facilitation Process for Exclusive Transactions
- Funding details and delivery of the Works for Queensland Program, the South East Queensland Community Stimulus Package, and the COVID Works for Queensland program.

Local Government

- Financial sustainability of local governments and assistance provided through the Indigenous Councils Critical Infrastructure, Local Government Grants and Subsidies and Works for Queensland programs
- Councillor conduct complaints process including processing times, Councillor Conduct Tribunal case loads; and appeals to QCAT
- Integrity measures for local councils including conflict of interest provisions

¹⁰ 2022-23 Queensland State Budget – Service Delivery Statements, Department of State Development, Infrastructure, Local Government and Planning, p 35.

- Flood mitigation measures including the construction of flood levees; the Resilient Homes Fund; and flood recovery efforts for the City of Ipswich
- Specific local council issues, including the Gold Coast City Plan; boundary reviews relating to Rockhampton Regional Council and Livingstone Shire Council; and transition of Weipa Town Authority to local government status
- Planned reform of the local government voting arrangements including electoral caps.

4 Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities

4.1 Department of Agriculture and Fisheries

The Honourable Mark Furner MP, Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities is responsible for the Department of Agriculture and Fisheries.

The department has 3 service areas:

- **Enabling agriculture industry growth** – Deliver innovative research, policy and support services that enable agribusinesses to grow
- **Queensland biosecurity services** – Mitigate the risks and impacts of animal and plant pests and diseases and weeds to the economy, the environment, social amenity and human health
- **Fisheries and forestry industry development** – Position Queensland as a world leader in sustainable, high-value fisheries and ensure that the strategic management of state-owned timber and quarry resources meets community and government expectations and enables industry to invest.¹¹

4.1.1 Appropriations for 2022-23

The proposed appropriation for 2022-23, compared to the 2021-22 budget is set out in the table below.

Appropriations 2022-23 – Department of Agriculture and Fisheries

Department of Agriculture and Fisheries	Budget 2021-22 \$'000	Est. Actual 2021-22 \$'000	Vote 2022-23 \$'000
<i>Controlled Items</i>			
departmental services	323,634	332,949	364,843
equity adjustment	(818)	(3,150)	(2,064)
<i>Administered Items</i>	58,332	53,574	179,411
Vote	381,148	383,373	542,190

Source: Appropriation Bill 2022, Schedule 2, p 8.

4.1.2 Budget highlights

2022-23 departmental highlights include:

- Establishing a network of smart farms in Queensland that deliver Agtech solutions
- Facilitating trade between Queensland and the rest of the world, and investment in Queensland agribusiness
- Delivery of an Agtech Roadmap to drive digital and technological transformation of Queensland's agriculture sector
- Minimisation of the impact of biosecurity threats to the economy, environment and human health through biosecurity prevention, preparedness, response and recovery measures.

¹¹ 2022-23 Queensland State Budget – Service Delivery Statements, Department of Agriculture and Fisheries, p 1.

- implementation of the Queensland Sustainable Fisheries Strategy 2017–2027 to support fisheries reform and deliver commitments under the Reef 2050 Long-Term Sustainability Plan
- implementation of regulatory reforms to major Queensland fisheries (including Trawl, Crab and East Coast Inshore) to sustain fish stocks
- completion of a directions paper that considers the future of native timber harvesting in Queensland to support an internationally competitive and sustainable industry.¹²

4.1.3 Staffing

The table below compares the full time equivalents (FTEs) for 2022-23 and 2021-22.

Staffing 2022-23– Department of Agriculture and Fisheries

Department of Agriculture and Fisheries	Budget 2021-22	Est. Actual 2021-22	FTE 2022-23
Total FTEs	2,108	2,108	2,108

Source: 2022-23 Queensland State Budget – Service Delivery Statements, Department of Agriculture and Fisheries, p 9.

4.1.4 Capital program

The department has been allocated \$27.5 million for both capital purchases and capital grants in 2022-23. Program highlights include:

- \$4.7 million to continue upgrades of the department's research facilities through programs such as research facilities development, scientific equipment and minor works
- \$2.7 million to finalise decisions on the future of assets formerly held by the Queensland Agricultural Training Colleges, including a new Central Queensland Smart Cropping Centre
- \$2.6 million for new heavy plant and equipment including trucks, tractors, irrigators, all-terrain vehicles and other machinery
- \$2.5 million to continue the upgrade of fruit handling laboratories enabling scientists to provide research services to the expanding and new horticultural industries at Mareeba
- \$1.4 million to upgrade the Wild Dog Barrier Fence
- \$1.2 million to upgrade infrastructure and equipment to support horticulture productivity and profitability under the Queensland Smart Farm Initiative at Gatton.¹³

4.2 Queensland Rural and Industry Development Authority

The Minister also has responsibility for the Queensland Rural and Regional Industry Development Authority, a statutory body with responsibility for fostering productive and sustainable regions and rural communities for a thriving and financially resilient Queensland.

4.2.1 Summary income statement

The table below sets out the estimated budget for 2022-23 compared to 2021-22.

¹² 2022-23 Queensland State Budget – Service Delivery Statements, Department of Agriculture and Fisheries, p 1.

¹³ 2022-23 Queensland State Budget – Service Delivery Statements, Department of Agriculture and Fisheries, p 9.

Summary Income Statement – Queensland Rural and Industry Development Authority

Queensland Rural and Industry Development Authority	Budget 2021-22 \$'000	Est. Actual 2021-22 \$'000	Budget 2022-23 \$'000
Total income	120,909	756,579	587,197
Total expenses	159,361	731,220	596,422
Operating Surplus/(Deficit)	(38,452)	25,359	(9,225)

Source: 2022-23 Queensland State Budget – Service Delivery Statements, Department of Agriculture and Fisheries, p 22.

4.2.2 Budget highlights

The key deliverables outlined in the 2022-23 budget include:

- supporting jobs by delivering financial and regulatory programs, including First Start and Sustainability loans under the Queensland Government's Primary Industry Productivity Enhancement Scheme program; concessional loans and grants under Disaster Recovery Funding Arrangements; and COVID-19 Jobs Support Loans Portfolio management
- managing the compulsory Farm Business Debt Mediation program
- administering the rural debt surveys in Queensland in accordance with prescribed legislation and national data collection, and expansion of research functions with a focus on farm finance
- administering the continuation of the Rural Economic Development Grants program on behalf of the Department of Agriculture and Fisheries
- administering the new Farm Management Grants, Drought Preparedness Grants, Drought Ready and Recovery Finance loans, Emergency Drought Assistance loans and Drought Carry-on Finance loans as part of the Drought Assistance and Reform Package.¹⁴

4.3 Key issues raised at the public hearing

Issues raised by the committee and participating Members include:

Agricultural Industry Development

- Measures to support agricultural industry including diversification initiatives in the north-western Gulf region
- Departmental studies on the economic impact of a foot-and-mouth disease outbreak; Queensland's readiness for a foot-and-mouth disease outbreak; and departmental response plans to an outbreak in the state
- Provision of information and relationships between departmental officers and ministerial staff
- Creation of agricultural jobs through the Rural Jobs and Skills Alliance and the Queensland Agriculture Workforce Network
- Support for agriculture industries including the Primary Industries Productivity Enhancement Scheme, Rural Economic Development Grants scheme, Rural Agricultural Development Scheme and Farm Management Grants

¹⁴ 2022-23 Queensland State Budget – Service Delivery Statements, Department of Agriculture and Fisheries, p 18.

- Measures to protect against the effect of fire ants
- Research and development measures to drive productivity and innovation in Queensland's livestock, aquaculture, cropping, horticulture, forestry, timber and food-processing industries
- Drought loans and assistance under QRIDA's Drought Assistance and Reform Package
- Agricultural training colleges
- Departmental staffing including allocations in rural and regional Queensland.

Fisheries and Forestry

- Sustainable Fisheries Strategy 2017-2027, including stock assessments and overfishing; and the budget for fisheries reform
- Sustainable management of Spanish mackerel stocks, data collection and communications of the East Coast Spanish Mackerel Working Group
- Engagement with the fishing sector on regulatory and economic impact assessments and regulatory enforcement and education of fishers
- Illegal fishing in the Gulf of Carpentaria and enforcement actions by Fisheries Queensland
- Shark Control programs and new technologies including drone surveillance
- Measures to develop the charter fishing industry
- Measures to support the growth of Queensland's timber industry, including identifying sustainable timber supplies, research and development, and managing forest resources.

5 Minister for Regional Development and Manufacturing and Minister for Water

5.1 Department of Regional Development, Manufacturing and Water

The Honourable Glenn Butcher MP, Minister for Regional Development and Manufacturing and Minister for Water is responsible for the Department of Regional Development, Manufacturing and Water.

The department has 2 service areas:

- **Grow the economy** – Create jobs that provide enduring economic benefit by delivering regional economic development opportunities, water infrastructure and supporting the manufacturing industry in Queensland
- **Water resource management services** – The sustainable management of Queensland’s water resources as well as regulation of water service providers and water infrastructure owners.¹⁵

5.1.1 Appropriations for 2022-23

The proposed appropriation for 2022-23, compared to the 2021-22 budget is set out in the table below.

Appropriations 2022-23 – Department of Regional Development, Manufacturing and Water

Department of Regional Development, Manufacturing and Water	Budget 2021-22 \$'000	Est. Actual 2021-22 \$'000	Vote 2022-23 \$'000
<i>Controlled Items</i>			
departmental services	178,725	172,184	251,061
equity adjustment	140,000	146,910	18,100
<i>Administered Items</i>	37,205	29,021	44,357
Vote	355,930	348,115	313,518

Source: Appropriation Bill 2022, Schedule 2, p 11.

5.1.2 Budget highlights

2022-23 budget highlights for the department include:

- additional funding of \$199.5 million over 3 years for Regional Water Infrastructure projects including the Cairns Water Security Program, Hughenden Water Bank, Lansdown Eco-Industrial Precinct (enabling infrastructure) and the Mt Morgan Pipeline
- increased funding of \$50 million over 2 years to extend the Made in Queensland and Manufacturing Hub Grant programs to support Queensland's manufacturing industries adopt leading-edge design, technologies and processes
- additional funding of \$24.5 million over 5 years to upgrade and maintain 19 recreation areas owned and operated by Sunwater across regional Queensland
- increased funding of \$17.7 million over 4 years and \$4.5 million per annum ongoing to establish the Manufacturing Hub Program.

¹⁵ 2022-23 Queensland State Budget – Service Delivery Statements, Department of Regional Development, Manufacturing and Water, p 1.

- additional funding of \$9.3 million over 2 years for stage 2 of the Rural Water Futures program
- additional funding of \$7.1 million over 4 years to increase the capacity for water modelling and technical assessments and provide critical information on water availability.¹⁶

5.1.3 Staffing

The table below compares the full time equivalents (FTEs) for 2022-23 and 2021-22.

Staffing 2022-23– Department of Department of Regional Development, Manufacturing and Water

Department of Regional Development, Manufacturing and Water	Adjusted Budget 2021-22	Est. Actual 2021-22	Budget 2022-23
Total FTEs	586	589	602

Source: 2022-23 Queensland State Budget – Service Delivery Statements, Department of Department of Regional Development, Manufacturing and Water, p 7.

5.1.4 Capital program

The department has been allocated capital purchases of \$119.5 million and capital grants of \$52.5 million in 2022-23. Program highlights include:

- \$116.9 million for construction of the Rookwood Weir, delivered in partnership with the Australian Government through the National Water Grid Fund
- \$39 million for the Building our Regions grant program
- \$6 million for improvements to existing community infrastructure assets that form part of the Rookwood Weir project.¹⁷

5.2 Key issues raised at the public hearing

Issues raised by the committee and participating members include:

Water

- Seqwater staffing arrangements
- Funding and delivery of Paradise Dam improvement project
- Flinders water allocation tender process and the ability of small operators to enter the process
- Economic development benefits of investment in water infrastructure
- South West Pipeline project and improvements to long-term water security for the Scenic Rim
- Improving flood resilience of infrastructure and water treatment assets in South-East Queensland
- Delivery of the Rookwood Weir project
- Water consumption by agricultural sector, including the purchase of water by irrigators and agricultural producers and access to water for cropping businesses through the Flinders River water release

¹⁶ 2022-23 Queensland State Budget – Service Delivery Statements, Department of Regional Development, Manufacturing and Water, p 3.

¹⁷ 2022-23 Queensland State Budget – Service Delivery Statements, Department of Regional Development, Manufacturing and Water, p 7.

- Water infrastructure through the Building our Regions program, council maintenance of water infrastructure and flood resilience of infrastructure and water treatment assets

Regional Development and Manufacturing

- Measures to support Queensland's manufacturing sector, including Made in Queensland grants.
- Work, meetings, membership and recommendations from engagement initiatives, including the Manufacturing Ministerial Council and Regional Community Forums
- Processes around the provision of advice by departmental officials to ministerial staff
- Opportunities to develop specific regional industries, such as biofuels, ethanol and electric vehicle production.

6 Statement of Reservations

STATEMENT OF RESERVATIONS

CONSIDERATION OF 2022- 23 BUDGET ESTIMATES

JIM MCDONALD MP (DEPUTY CHAIR) AND MICHAEL HART MP

LIBERAL NATIONAL PARTY

Introduction

Opposition members of the State Development and Regional Industries Committee agree with the passing of the 2022/23 Budget.

However, the Budget is characterised by numerous shortcomings which have failed to meet the expectations of Queenslanders. Many of these shortcomings became increasingly evident during the Estimates process.

The Budget was an opportunity for the government to show Queenslanders they have listened to them. It was a chance to open the books and show Queenslanders they have been heard. It was a chance to reveal the true state of affairs and what will be done to make their lives just a little easier.

The Estimates process failed to provide reassurance that the great challenges facing Queenslanders were being addressed – the health crisis, the housing crisis, the youth crime crisis, the cost of living crisis and the integrity crisis.

Estimates revealed a host of band aid solutions that will do little to improve conditions throughout Queensland. Coupled with a litany of cost overruns and government financial waste – no better demonstrated than by the loss of over \$220 million of taxpayers' funds on the Wellcamp vanity project – no long term solutions were presented by the government.

Despite its inherent imperfections, the Estimates process drew attention to government neglect and waste and a cavalier disregard for the highest standards of probity and integrity in government.

State Development / Infrastructure and Planning

The Estimates hearings have again demonstrated that the government, in the midst of an integrity scandal is failing in its core duties to the people of Queensland.

Led by a Director-General who was not appointed to his current position through an independent merit-based selection process (contrary to the commitments made by the Premier) the department has failed to plan for the state's population growth. An example provided was Caboolture West which has been in state government planning documents since 2009 and yet not a single lot has been delivered to market.

Despite refusing to release the cost of the Wellcamp Quarantine Facility for almost a year, the Acting Auditor General's confirmation that they were investigating resulted in details being provided by the Deputy Premier only 24 hours later. It's understood why the government was trying to keep the cost

under wraps because it's embarrassing. Over \$220m spent and only 730 people housed. That's over \$300,000 per person for a facility that the Queensland taxpayer will never own.

The secrecy demonstrated in the Wellcamp deal extends to other activities by the department. The Queensland Government has given the Federal Government a list of infrastructure it wants to jointly fund for the 2032 Olympic Games. The Deputy Premier refuses to release that list to the people of Queensland. There is no justification for this. Queenslanders deserve to know.

The LNP holds grave concerns about the planning for the Games as the promised "10 year pipeline" of infrastructure and jobs hasn't materialised. There is no plan and there is no infrastructure.

This isn't a surprise given that the government is willing to release a State Infrastructure Strategy that contains no new infrastructure.

Questions remain about the amount of influence Labor aligned lobbyists have over the office of the Deputy Premier, with favourable planning decisions granted to companies that have engaged these lobbyists.

Local Government

This year's Estimates hearing has shown that Local Government has been overlooked by the Palaszczuk Labor Government.

The State Government is pre-occupied with wasting taxpayers' money on an empty quarantine facility rather than growing a meaningful partnership with Local Government. Given the challenges that Councils have faced on the frontline responding to the pandemic and natural disasters, the Palaszczuk Labor Government has fallen well short of Local Government expectations.

Councils have been calling repeatedly for Works for Queensland to be restored to \$100m per year. Instead of listening to the calls, the Palaszczuk Labor Government wasted hundreds of millions of dollars on an empty quarantine facility to simply play politics in the lead up to the Federal Government Election.

With regard to the statement the Deputy Premier made to local media regarding the proposed boundary re-alignment between Rockhampton and Livingstone Councils, the statement clearly said, "Before any boundary change could be made, the proposal would need to show that it had the support of the community, the support of the local governments involved and that both would remain financially sustainable."

The Deputy Premier was unwilling to rule out proceeding with this boundary review, despite one of the Councils being opposed to this proposal.

The Deputy Premier refused to rule out changing the voting system for the Brisbane City Council elections. The LNP have concerns that the Government will embark on amendments to advance the electoral chances of the Labor Party without community or Council consultation. Changing the local government voting system to compulsory preferential voting was resoundingly rejected in the last term by Queensland Local Governments.

Further, the Palaszczuk Labor Government has a shameful record when it comes to changing voting systems to tip the electoral scales in Labor's favour. Labor changed the system for the State Government with eighteen minutes notice and no opportunity for Queenslanders to have their say. Finally, the LNP hold reservations about the apparent lack of haste regarding the administration and application of the Resilient Homes Fund. Families are homeless due to the Natural Disasters and want to get on with their lives. Not one home has yet been bought back despite hundreds of requests. It was then confirmed before another committee that nearly a third of assessments have not yet been commenced. People's homes are uninhabitable now -the State and Federal Governments need to get this program moving fast.

Agricultural Industry Development and Regional Communities and Fisheries and Forestry

The hearing again proved the Department of Agriculture and Fisheries (DAF) is going backwards at a time when other departments are boasting record spends and staffing numbers.

It is clear the Agriculture Minister is not being heard around the cabinet table given substantial budget and service delivery cuts. At a time when biosecurity issues pose a significant risk to Queensland, it is concerning there was no additional staffing in DAF's biosecurity department.

The budget provided an opportunity to address key biosecurity threats like Japanese Encephalitis and Foot and Mouth Disease. Instead, the Minister is on the record confirming 13 FTE Animal Welfare and Biosecurity Inspector staff have been cut from DAF since 2015. Following strong and consistent questioning by the Opposition, the Minister assured that the Government can handle an outbreak despite the cut in staff.

The war on fireants is being lost given the narrative change from Fireant "Eradication" to "Suppression". It was also confirmed the department is still expending millions to finalise the future of assets formerly held by the former Longreach Agricultural College.

The Government still refuses to conduct a Regulatory Impact Statement on its fisheries reform process. Industry's concerns with the reform process are widely known, including the significant mental health effects on many small and family business owners and operators. Despite Government claims of concern about mental health issues it refuses to acknowledge the adverse mental health effects of its fisheries reform process.

Despite numerous assertions of not changing, the Minister has backflipped on the Government's approach to the Spanish Mackerel fishery and is now ruling out a complete closure of the industry. There still remain concerns about an ongoing culture of cover up and obstruction in DAF, the latest of which have been raised by the East Coast Spanish Mackerel Working Group. The culture is reflective of Peter Coaldrake's concerns about an integrity system that *"from the top down, is not meeting public expectations"*.

The timber shortage continues to have wide reaching and significant impacts on all Queenslanders, and particularly first home buyers and builders. The shortage is the culmination of reckless policy decisions from successive Labor Governments. Despite boasts about announcing a *"two year study"* to identify future sustainable actions, it is almost a year overdue and the Minister isn't taking any action to address the issue. This approach again reflects a culture where the Government announcements are based on how things look, not how they are.

Overall, DAF is being starved of leadership and a genuine voice at the Cabinet table who will fight for and deliver for rural and regional Queenslanders their industries and their communities. Queenslanders deserve better.

Water, Regional Development and Manufacturing

Planning should be well underway to address future water security needs yet this Government continues with its usual head in the sand approach, with a complete failure to act.

The hearing confirmed the government isn't building or funding any new water storage infrastructure. The Government's short-sighted approach will have significant affects in the years to come, and the Opposition remains gravely concerned about what can only be described as recklessness.

The main theme conveyed during the hearing exposed the Minister as being one for show, not substance. The Paradise Dam Improvement Project has been talked about for years. The 2022-23 budget papers show only \$30.1m, a drop in the ocean of what has been committed to. Furthermore, the Minister refused to give any certainty around when the project will commence or be completed. The people of the Wide Bay Burnett remain concerned about the uncertainty that lies ahead and whether their water allocations will be reduced to allow for construction works.

The Minister embarrassingly had to defend his lack of a legislative agenda, confirming he has put forward no pieces of primary legislation during his tenure as Water Minister. It was also revealed the Government continues to oversee feasibility studies, many which return positive, which fail to be funded or see any light of day. Key dam safety upgrades aren't being funded and the North Pine Dam still isn't receiving any funding to ensure it can be filled to a level higher than 68%.

The Regional Development Minister has no responsibility or oversight of the Regional Community Forums, deferring responsibility to the Premier. The Minister refused to answer questions put to him relating to the costs of the forums, who attends, the selection process for attendees and if there are any transparency measures in place for minutes.

Queensland Manufacturers continue to experience chronic labour supply shortages and sky-high electricity and water costs. There is nothing in the budget to address these significant concerns. The hearing revealed the Director positions in the Cairns, Townsville and Rockhampton Manufacturing Hubs were all vacant at the time of the hearing. It raises serious concerns about the department's culture and the actual success of the hubs. Once again the Minister shelved his responsibility for a failure to deliver on his election commitment to establish Manufacturing Skills Queensland, instead deferring the blame to the Skills Minister.

Conclusion

Having interrogated ministers and officials throughout the Estimates process the Opposition does not believe the Budget presented a sustainable solution to the significant problems facing the Queensland economy and Queenslanders.

Just as ambulance ramping and hospital waiting times were at critical levels last year, housing shortages continue to exist throughout the entire state, crime rates continue to increase and critical infrastructure remained underfunded.

The 2022/23 Budget was a lost opportunity that will make the lives of Queenslanders even more difficult in the coming years.

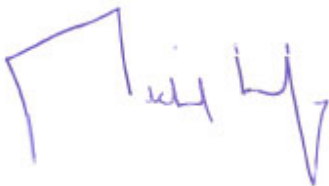
The squandering of millions of dollars demonstrates the government has turned its back on the needs of Queenslanders and has lost control of the levers of public administration.



Mr Jim McDonald MP

Deputy Chair

Member for Lockyer



Mr Michael Hart MP

Member for Burleigh