



2022-2023 Budget Estimates

Report No. 20, 57th Parliament
Transport and Resources Committee
August 2022

Transport and Resources Committee

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Contents

Chair’s foreword	ii
1 Introduction	1
1.1 Role of the committee	1
1.2 Aim of this report	1
1.3 Participation by other Members	2
2 Recommendation	3
3 Minister for Transport and Main Roads	4
3.1 Department of Transport and Main Roads	4
3.1.1 Budget highlights – Department of Transport and Main Roads	5
3.2 RoadTek	6
3.2.1 Budget highlights – RoadTek	6
3.3 Gold Coast Waterways Authority	6
3.3.1 Budget highlights – Gold Coast Waterways Authority	6
3.4 Cross River Rail Delivery Authority	6
3.4.1 Budget highlights – Cross River Rail Delivery Authority	7
3.5 Key issues raised at the public hearing – Department of Transport and Main Roads	7
4 Minister for Energy, Renewables and Hydrogen and Minister Public Works and Procurement	9
4.1 Department of Energy and Public Works	9
4.1.1 Budget highlights – Department of Energy and Public Works	10
4.2 QBuild	10
4.2.1 Budget highlights – QBuild	10
4.3 QFleet	10
4.3.1 Budget highlights – QFleet	11
4.4 Queensland Building and Construction Commission	11
4.4.1 Budget highlights – QBCC	11
4.5 Key issues raised at the public hearing – Department of Energy and Public Works	11
5 Minister for Resources	13
5.1 Department of Resources	13
5.1.1 Budget highlights – Department of Resources	13
5.2 Key issues raised at the public hearing – Department of Resources	14

Chair's foreword

This report presents a summary of the committee's examination of the budget estimates for the 2022-23 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 Bill 2022 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 Public Works and Procurement; and the Minister for Resources and their departmental officers for their co-operation in providing information to the committee throughout this process.

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.



Shane King MP

Chair

August 2022

1 Introduction

1.1 Role of the committee

The Transport and Resources 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.¹

The committee's primary areas of responsibility are:

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

On Friday 24 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

On Tuesday 2 August 2022, 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 Public Works and Procurement; and 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 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.

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 are included in a volume of additional information tabled with this report.

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.

1.3 Participation by other Members

The committee gave leave for other Members to participate in the hearing. The following Members participated in the hearing:

- Mr Michael Berkman MP, Member for Maiwar
- Mr Tim Mander MP, Member for Everton
- Dr Amy MacMahon MP, Member for South Brisbane
- Mr Jim McDonald MP, Member for Lockyer
- Mr Steve Minnikin MP, Member for Chatsworth
- Mr 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 Bill 2022 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3 Minister for Transport and Main Roads

This section discusses issues raised during the committee’s examination of the Bill.

3.1 Department of 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 department has the following five service areas:

- Transport System Investment, Planning And Programming
- Transport Infrastructure Management And Delivery
- Transport Safety and Regulation
- Customer Experience
- Passenger Transport Services.³

The following table taken from the Appropriation Bill 2022 compares the appropriations for the department for 2021-22 and 2022-23.

Appropriations	Budget 2021-2022 \$'000	Est. Actual 2021-2022 \$'000	Vote 2022-2023 \$'000
<i>Controlled Items</i>			
departmental services	5,947,975	5,944,558	6,232,769
equity adjustment	2,419,324	2,841,289	3,081,244
<i>Administered Items</i>	1,589,378	1,499,834	1,228,183
Vote	9,956,677	10,285,681	10,542,196

Source: Appropriation Bill 2022, 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 2021-22 and 2022-23.

Agency	Budget 2021-2022 \$'000	Est. Actual 2021-2022 \$'000	Vote 2022-2023 \$'000
Department of Transport and Main Roads			
- controlled	7,158,062	7,066,188	7,381,663
- administered	2,981,816	2,961,373	3,068,102
RoadTek	688,466	804,940	817,576
Gold Coast Waterways Authority	24,331	25,487	19,433
Cross River Rail Delivery Authority	549,499	421,892	538,810

Source: Queensland Budget 2022-23, Service Delivery Statements – DTMR, pp 10, 27, 34, 41.

³ Queensland Budget 2022-23, Service Delivery Statements, DTMR, p 1.

3.1.1 Budget highlights – Department of Transport and Main Roads

2022-23 budget highlights for the department include:

- progress statewide planning actions identified in the Regional Transport Plans
- enhance passenger and freight rail performance, including working with the Australian Government to maximise the benefits of Inland Rail, and developing a long-term rail network strategy to define the future needs of the rail network in Queensland
- implement the Queensland Road Safety Strategy 2022–31 and supporting Action Plan 2022–24, taking a whole of system approach to reducing road trauma
- deliver Phase 3 of the Queensland Electric Super Highway (QESH) by adding 24 more electric vehicle fast-charging stations which will extend the QESH into western Queensland and provide 2 'border crossing' locations at Goondiwindi and Stanthorpe further boosting tourism opportunities between Queensland and New South Wales; and provide appropriate policy and infrastructure to support greater uptake of zero-emission vehicles
- deliver connected vehicle infrastructure, which will extend Cooperative Intelligent Transport Systems along 1,500km of the Bruce Highway from the Sunshine Coast to Cairns, enabling cloud based services through Queensland traffic application and private telematic providers
- provide convenient, accessible transport by delivering safe and connected cycling and walking infrastructure; finalising the revised Disability Standard for Accessible Public Transport 2002 in partnership with the Australian Government; further rolling out the Digital Licence App across Queensland; and continuing the progressive expansion of the Smart Ticketing system across the South East Queensland Citytrain and bus network, CityCats and Southern Moreton Bay Islands Ferry
- explore emerging service models and modes such as on-demand transport with the commencement in March 2022 of a 2 year trial in Pacific Pines and Nerang/Highland Park within the Gold Coast and e-mobility where there is a safety and regulatory need
- improve transport network security and resilience to the impacts of climate change and disruptions from all hazards by researching and investing in sustainable materials such as the responsible use of recycled materials in road pavements and assessing risk related to natural disasters and climate change impacts
- improve connectivity, access, safety and pollution response of maritime services and infrastructure through the Maritime Infrastructure and Investment Program; enhance sustainability of the industry through initiatives to revitalise coastal shipping and create maritime jobs in Queensland; and continue the War on Wrecks program to remove derelict or abandoned vessels in Queensland's waterways
- plan the delivery of sustainable transport infrastructure and services to support the Brisbane 2032 Olympic and Paralympic Games and provide an ongoing legacy for the community.⁴

⁴ Queensland Budget 2022-23, Service Delivery Statements, DTMR, pp 1-2.

3.2 RoadTek

RoadTek's purpose is:

To deliver community and stakeholder outcomes by 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 plant fleet.⁵

3.2.1 Budget highlights – RoadTek

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

- implement delivery improvement methodologies, such as Lean Construction, to advance our business systems and practices, enable continuous improvement principles and continued collaboration across building construction and engineering industries, in pursuit of increased value delivery, resource utilisation, reliability, safety and sustainable service delivery
- work with key partners and stakeholders to better position RoadTek for tomorrow and the future
- contribute to the successful delivery of significant project activities such as the Eastern Transitway project and the Monto/Mt Perry Road realignment and continue to respond to natural disaster events across the state.⁶

3.3 Gold Coast Waterways Authority

The Gold Coast Waterways Authority's (the Authority) vision is 'to empower the Gold Coast as a Waterways City'.⁷ The Authority's purpose is:

To deliver efficient and sustainable management of the Gold Coast waterways through integrated place-based planning, innovation and ongoing engagement with key stakeholders and the wider community.⁸

3.3.1 Budget highlights – Gold Coast Waterways Authority

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

- maintain and improve boating infrastructure including Oxenford Pacific Highway boat ramp upgrade and Jabiru Island and Awoonga Drive, Burleigh Heads boat ramp replacements
- deliver new projects as part of the Spit Works Program including Muriel Henchman park improvements
- keep navigation channels accessible through responding to shoaling events and dredging of the West Crab Island and South Wave Break Island channels.⁹

3.4 Cross River Rail Delivery Authority

The Cross River Rail Delivery Authority's (CRRDA) vision is for safe, integrated and improved rail network services and stations that are accessible to everyone. CRRDA's purpose is to deliver economic development and transport outcomes that maximise benefits for Queenslanders.¹⁰

⁵ Queensland Budget 2022-23, Service Delivery Statements, DTMR, p 24.

⁶ Queensland Budget 2022-23, Service Delivery Statements, DTMR, p 23.

⁷ Queensland Budget 2022-23, Service Delivery Statements, DTMR, p 30.

⁸ Queensland Budget 2022-23, Service Delivery Statements, DTMR, p 30.

⁹ Queensland Budget 2022-23, Service Delivery Statements, DTMR, p 30.

¹⁰ Queensland Budget 2022-23, Service Delivery Statements, DTMR, p 37.

3.4.1 Budget highlights – Cross River Rail Delivery Authority

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

- continue to manage the compliance of the major contractors in their execution of contracts for Tunnel, Stations and Development; Rail, Integration and Systems; and the European Train Control System, particularly in relation to:
 - workplace health and safety, to ensure the highest safety levels are maintained across each of the project's worksites
 - maintaining the high percentage of local subcontractor and suppliers to benefit from Cross River Rail
 - achieving the project's commitment of 450 trainee and apprentice opportunities over the life of the project
- continue the station build and tunnel fitout for 4 new high-capacity underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street
- continue to deliver the rolling program of significant accessibility upgrade works at the 6 stations from Fairfield station to Salisbury station
- continue development of 2 new above-ground stations at Exhibition and Dutton Park
- complete works at Mayne Yard North
- commence dynamic testing of the European Train Control System
- progress the Expressions of Interest and Requests for Proposal phases for the 3 Gold Coast stations at Merrimac, Hope Island and Pimpama, to be delivered as part of the Cross River Rail project.¹¹

3.5 Key issues raised at the public hearing – Department of Transport and Main Roads

Issues raised by the committee in relation to the Department of Transport and Main Roads included:

- South-East Queensland rail connect plan
- transport project budgets
- koala habitat at Greenridge
- investment in regional roads
- Queensland's electric vehicle superhighway
- the Minister's term length
- the European Train Control System project
- availability of taxis for elderly people and people with a disability
- corridor study for Montague Road, West End
- Cross River Rail project and its budget
- passenger rail performance
- Queensland Train Manufacturing Project

¹¹ Queensland Budget 2022-23, Service Delivery Statements, DTMR, p 37.

- Queensland Transport and Roads Infrastructure Program (QTRIP)
- Bruce Highway Trust Advisory Council meeting
- The Coaldrake Review and actions of a director-general
- alcohol and drug testing on RoadTek worksites
- performance management of members of the Electrical Trades Union (ETU)
- capital allocation to transport projects on the Gold Coast
- derelict vessels in waterways
- capital allocation to transport projects in the Townsville region
- public transport
- alleged influence of the ETU
- meetings between the Minister and the ETU
- comments by the Member for Maryborough and the Assistant Minister for Train Manufacturing and Regional Roads
- comments made at a Queensland Train Manufacturing Program briefing in Maryborough
- Gladstone Ports Corporation board decision
- the Cross River Rail commercial-in-confidence contract
- Lunaan Advisory contract description
- operating costs of TransLink's smart ticketing system
- St Lucia Esplanade bikeway
- reduction of transport sector emissions
- capital allocation for roads and transport in the Moreton Bay region
- investment in Queensland's rail manufacturing industry
- Cross River Rail public-private partnership
- Cross River Rail and the Boggo Road priority development area plan
- the Coomera Connector project and its business case
- parking at bus and train stations
- the Gold Coast Light Rail project
- accessibility and the integrated transport network
- road maintenance funding
- fatal crashes on state controlled roads
- corridor identification to the north-west of Toowoomba
- capital allocation to Sunshine Coast projects
- capital allocation to Wide Bay-Burnett projects
- transport patronage and impacts on COVID-19
- smart ticketing on Gold Coast Light Rail.

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

This section discusses issues raised during the committee’s examination of the Bill.

4.1 Department of Energy and Public Works

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 Work (DEPW). The department has the following three service areas:

- Grow Queensland’s energy sector
- Building and government accommodation services
- Procurement policy and enabling services.¹²

The following table taken from the Appropriation Bill 2022 compares the appropriations for the department for 2021-22 and 2022-23.

Appropriations	Budget 2021-2022 \$'000	Est. Actual 2021-2022 \$'000	Vote 2022-2023 \$'000
<i>Controlled Items</i>			
departmental services	173,321	173,168	205,242
equity adjustment	43,260	32,094	111,654
<i>Administered Items</i>	546,194	614,611	668,351
Vote	762,775	819,873	985,247

Source: Appropriation Bill 2022, Schedule 2, p 10.

The following table outlines the agencies and statutory bodies that fall within the department and provides a comparison of the budgets for 2021-22 and 2022-23.

Agency	Budget 2021-2022 \$'000	Est. Actual 2021-2022 \$'000	Vote 2022-2023 \$'000
Department of Energy and Public Works			
- controlled	957,420	957,232	1,104,227
- administered	546,143	570,293	668,292
QBuild	1,045,106	1,082,174	1,118,048
QFleet	138,998	147,313	159,391
Queensland Building and Construction Commission (QBCC)	242,660	317,911	256,427

Source: State Budget 2022-23, Service Delivery Statements – DEPW, pp 7, 22, 28, 35.

¹² Queensland Budget 2022-23, Service Delivery Statements, DEPW, p 1.

4.1.1 Budget highlights – Department of Energy and Public Works

2022-23 budget highlights for the department include:

- \$35 million in 2022–23, held centrally, for feasibility works on further pumped hydro energy storage sites
- \$20 million over 2 years, \$8 million in 2022–23, to extend the Household Resilience Program to Phase 3
- \$14.5 million over 2 years to coordinate the demolition of the stadium infrastructure and site restoration at the Willow Sports Field (formerly 1300 Smiles Sports Stadium)
- \$10 million over 2 years, \$5 million in 2022–23, for a Queensland Microgrid Pilot Fund, with the intention of boosting resilience of regional communities to extreme weather conditions
- \$7.6 million towards the Old Museum Building, including \$1.6 million in 2022-23 to undertake a business case and master planning for redevelopment of the Old Museum Building and \$6 million over 4 years to undertake essential base building maintenance of the Old Museum Building to keep the building safe and operational.¹³

4.2 QBuild

QBuild’s vision is to ensure customers benefit from better operating efficiencies, greater value for money and strong business partnerships. QBuild's purpose is to deliver state-wide planning, building and maintenance services that support Queensland Government agencies to deliver their core services to Queenslanders.¹⁴

4.2.1 Budget highlights – QBuild

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

- progress a high-quality apprenticeship program
- develop long-term partnership agreements with other Queensland Government agencies to maximise service value and deliver projects and program on time and on budget
- continue to apply the Queensland Government Procurement Policy
- ensure a safe work environment for our clients, contractors, and the community.¹⁵

4.3 QFleet

QFleet’s vision is to provide whole-of-government mobility solutions and services that are fit-for-purpose, safe and environmentally responsible. QFleet's purpose is to provide efficient value for money fleet transport solutions enabling the delivery of frontline services to the community and support agencies in achieving reduced vehicle emissions, through best practice vehicle deployment, operation, and the introduction of innovative technology such as low emission vehicles.¹⁶

¹³ Queensland Budget 2022-23, Service Delivery Statements, DEPW, p 2.

¹⁴ Queensland Budget 2022-23, Service Delivery Statements, DEPW, p 19.

¹⁵ Queensland Budget 2022-23, Service Delivery Statements, DEPW, p 19.

¹⁶ Queensland Budget 2022-23, Service Delivery Statements, DEPW, p 25.

4.3.1 Budget highlights – QFleet

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

- continue to increase the number of electric vehicles in the government fleet by achieving annual targets within the *QFleet Electric Vehicle Transition Strategy*
- continue the implementation of the *QFleet Environmental Strategy* and *QFleet Electric Vehicle Transition Strategy* for the Queensland Government motor vehicle fleet, increasing the range and number of low and zero emission vehicles available to be leased by customer agencies.¹⁷

4.4 Queensland Building and Construction Commission

The QBCC’s vision is to be a regulator that builds trust and confidence in all we do. The QBCC’s purpose is for peace of mind.¹⁸

4.4.1 Budget highlights – QBCC

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

- continue reviewing and implementing changes in relation to the *Building Industry Fairness (Security of Payment) and Other Legislation Amendment Act 2020*. This includes continuing the phased implementation of the Project Trust Account framework and changes to Minimum Financial Requirements
- continue implementing changes to require all workers performing mechanical services work for a licensed contractor to have the relevant mechanical services occupational licence
- continuously monitor key aspects of the Queensland Building Plan 2021, including activities to uphold responsibilities across building product supply chains to ensure a building product is not a non-conforming building product
- appropriately implement scheduled changes to the Queensland Home Warranty Scheme arising from the 2021–22 review
- implement any changes arising from the government's response to the QBCC Governance Review.¹⁹

4.5 Key issues raised at the public hearing – Department of Energy and Public Works

Issues raised by the committee in relation to the Department of Energy and Public Works included:

- hydro-electric project at Borumba Dam
- battery manufacturing and network connected batteries
- renewable energy zones and the development of a green hydrogen industry
- Household Resilience Program
- cost of living rebate on power bills
- budget allocations for Energy Queensland’s Digital Enterprise Building Blocks project
- offtake agreements and renewable energy
- response to Callide C power station fire in 2021, and impact on electricity prices

¹⁷ Queensland Budget 2022-23, Service Delivery Statements, DEPW, p 25.

¹⁸ Queensland Budget 2022-23, Service Delivery Statements, DEPW, p 31.

¹⁹ Queensland Budget 2022-23, Service Delivery Statements, DEPW, p 31.

- Queensland and energy independence
- hydrogen hub in Townsville
- engagement of lobbyists by Energy Queensland, CleanCo, Stanwell, Powerlink and CS Energy
- CS Energy generators
- closure of coal-fired generators
- the Coaldrake Review and reported actions of a director-general
- CleanCo's operation of coal seam gas wells and wind turbines
- response and recovery to flooding in 2022
- Kaban wind farm project
- electric vehicle industry
- right-to-information (RTI) documents and the Minister's office
- legal advice regarding the RTI process
- QBCC engagement of Anacta
- QBCC advertising campaign – cost, contract details and participants
- Resilient Homes Fund and flood resilience guidelines
- Satellite Hospitals Program and construction employment
- protection of homes in cyclone-prone homes
- QBCC board member, Andrew Hickman
- the Varghese review of the QBCC – cost and recommendation 14
- QBCC service standards regarding inspection times
- delivery of training and apprenticeships in the building and construction industries
- delivering certainty for builders and tradespersons
- the Buy Queensland procurement policy
- government employee housing scheme.

5 Minister for Resources

This section discusses issues raised during the committee’s examination of the Bill.

5.1 Department of 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:

- Land Services
- Minerals and Energy Resources Services.²⁰

The following table taken from the Appropriation Bill 2022 compares the appropriations for the department for 2021-22 and 2022-23.

Appropriations	Budget 2021-2022 \$'000	Est. Actual 2021-2022 \$'000	Vote 2022-2023 \$'000
<i>Controlled Items</i>			
departmental services	319,767	301,166	365,222
equity adjustment	(4,381)	(4,381)	1,055
<i>Administered Items</i>	4,486	4,286	4,559
Vote	319,872	301,071	370,836

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

5.1.1 Budget highlights – Department of Resources

2022-23 budget highlights for the department include:

- \$39.8 million over 5 years to support the implementation of several key initiatives included in the Queensland Resources Industry Development Plan (QRIDP), including \$17.5 million for the Collaborative Exploration Initiative, \$10 million for the delivery of airborne and ground based geophysical surveys, \$5 million for research to better define Queensland's new economy minerals potential, \$5.7 million for the Resources Centre of Excellence - Future Industries Delivery Hub in Mackay, and \$1.6 million for regulatory system improvements
- \$40 million over 4 years and \$10 million per annum ongoing to continue the Natural Resources Recovery Program to increase the resilience of Queensland’s landscapes leading to sustained economic outcomes
- \$11.7 million over 2 years to continue the Abandoned Mines Sites – Care and Maintenance, Risk Mitigation and Remediation Program at the former underground coal gasification sites at Hopeland (Linc Energy) and Bloodwood Creek (Carbon Energy) to plug and abandon all wells.²¹

²⁰ Queensland Budget 2022-23, Service Delivery Statements, DR, p 1.

²¹ Queensland Budget 2022-23, Service Delivery Statements, DR, p 2.

5.2 Key issues raised at the public hearing – Department of Resources

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

- A proposed inquiry into how the industry has acted on recommendations from the Coal Mining Board of Inquiry following the 2020 Grosvenor mine explosion
- commencement of consultation on officially renaming Fraser Island to K'gari
- release of the Queensland Resources Industry Development Plan
- geoscientific research and new economy minerals
- Resources Centre of Excellence in Mackay
- Cabinet Budget Review Committee (CBRC) meetings
- proposed changes to the coal royalty regime - briefings, advertising campaign, sentiment analysis, research, and consultations with stakeholders
- confidence of Japanese companies and their investments in Queensland
- Queensland gas providers and royalties
- Queensland and Australia's domestic gas supply
- release of the Statewide Landcover and Trees Study (SLATS) report
- development and implementation of the decarbonisation plan
- government and Resources Safety and Health Queensland (RSHQ) responses to the Queensland Coal Mining Board of Inquiry report
- coexistence outcomes in gasfields communities
- State Valuation Service, *the Land Valuations Act 2010* and the amendment of property valuations
- funding of lease compliance activities for island resort leases
- the Coaldrake Report and the relationship between the minister's office and the department
- the number of expressions of interest received in the EOI process for coal and gas tenures
- modelling on the lost potential supply of gas and coal to the market
- resource development in the Cooper Basin
- Queensland Resources Industry Development Plan - cost of consultation process, funding, regional workshops, ongoing employment of consultation teams and regulatory reform
- Queensland and Fraser Institute ranking
- Resolution of native title determinations
- minerals exploration in Queensland
- development of the domestic gas supply for the east coast market
- Resources Safety and Health's Petroleum and Gas Inspectorate - support of the hydrogen industry
- Shute Harbour marina development - lease obligations or noncompliance
- Double Island
- New Acland stage 3 mining lease

- carbon capture and storage technologies in Queensland
- board of examiners - average age of certificate of competency holders by class
- mine safety inspectorate staff numbers
- mine safety levy increase in 2021
- new economy minerals – projects, supply chains and the common user vanadium-processing facility
- Queensland’s ESG credentials
- abandoned mine sites program
- the Bowen Basin pipeline study
- consultation with industry and the *Environmental Protection and Other Legislation Amendment Act 2020*
- foot-and-mouth disease
- feral pigs on stock routes.

Transport and Resources Committee- Statement of Reservation

Introduction

Opposition members of the 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.

Transport and Main Roads

Cost blowouts and project delays continue to plague this government.

The real cost of government's biggest infrastructure project, the Cross River Rail, continues to be a commercial-in-confidence secret. The number often quoted by Minister Bailey of \$5.4 billion clearly isn't accurate with the budget itself showing a construction cost of at least \$6.888 billion.

The government also refuses to come clean on all the other 'ancillary' projects that have their own separate line items and are not part of the \$6.888 billion cost.

This includes projects such as the "New Generation Rollingstock, Automatic Train Operation and Platform Screen Doors fitment" which is a new project listed in QTRIP this year. Platform screen doors are part of Cross River Rail and have been included in project animations for many years. However, it's a \$275 million cost that is separate to the budgeted \$6.888 billion Cross River Rail cost.

When adding all these 'ancillary' projects, the LNP believes that the real cost of Cross River Rail is more like \$8 billion.

Again, the government was asked to admit the project wouldn't open in 2024 as previously promised. The Minister dismissed this by saying the 2024 date was a typo. The project is late, and the government should come clean about it.

The government even refused to answer simple questions such as when the Coomera Connector was changed from a six-lane road to a four-lane road. This is the level of secrecy that exists within the government.

Another project that has seen significant cost increases is the European Train Control System (ETCS). The project cost was originally \$634 million according to the 2016/17 QTRIP but the Minister was quoted as saying the cost is now \$764 million, which is more than the \$717 million cost as stated in this year's QTRIP.

The Department's explanation for the cost change was that parts of the project cost were originally in the Queensland Rail and Cross River Rail Delivery Authority budgets, but it has all been bought together as an alliance contract. If this is the case, how can Queenslanders have faith that any project cost for any project listed in QTRIP is a true and accurate reflection of reality?

It has been revealed that \$3.6 million has been spent to date on the Bruce Highway Trust, which has held only 4 meetings. It is difficult to understand how taxpayers are getting value for money from these meetings.

Every taxpayer dollar is precious, especially when there is a \$5.7 billion maintenance backlog and the government has failed to meet its performance targets for fatalities where the road condition was a contributing factor.

Serious questions have been raised about drug and alcohol use on RoadTek sites. Claims that a cultural change program has been implemented are welcomed however whistle-blower concerns about ETU influence over management practices within RoadTek warrant further investigation.

Projects are hundreds of millions of dollars over budget, more people are dying on our roads and this government refuses to answer simple questions about the decision it makes. Queenslanders deserve much better than this.

Energy, Renewables and Hydrogen

The hearing called into question the Minister's ability to lead his department at such a pivotal time for the future of Energy generation.

The \$175 rebate on Queenslanders' next electricity bill, which the Minister announced in May proved to be a PR stunt that didn't eventuate. This broken promise was confirmed by the CEO of Energy Queensland who said he did not have any *"specific instructions on the timing"* when referring to the announcement.

Embarrassingly, the Minister had to correct himself now claiming the rebate would be included on accounts issued after August 31 after many Queensland families who counted on the rebate being applied were left out of pocket.

The integrity of the department was again called into question, reinforced by a broader culture that Peter Coaldrake described as a system that *“from the top down, is not meeting public expectations”*. In a stunning revelation, the hearing confirmed public funds are being used for Government Owned Corporations like CleanCo to engage Labor aligned lobbying firm Anacta. Stanwell has also used government funds to engage a different lobbying firm. This practice raises serious questions as to why a government agency needs to pay a lobbying firm to talk to the government they serve.

The Opposition also revealed an IT program designed to manage purchasing and payroll for Energy Queensland has blown out by at least \$181 million. The botched Digital Enterprise Building Blocks program has ballooned from \$633 million to \$814 million, proving the Palaszczuk Government is incapable of delivering projects on time and on budget.

Concerns were raised that adequate maintenance is not being conducted on energy generators, given CS Energy’s maintenance spend has decreased substantially in the past three consecutive financial years. The Minister was also called out for a statement he made suggesting Callide C’s explosion would not see an increase in electricity prices, which was contradicted by the QCA.

Public Works and Procurement

For years, the LNP have been concerned with the operations and activities of the Queensland Building and Construction Commission (QBCC) under Minister de Brenni’s direction. This year, those concerns have only been escalated with the revelations exposed in this year’s Estimates hearings.

Firstly, the LNP tabled right-to-information documents including an internal QBCC email stating “the Minister’s Office would like to see what is going to be released to Mr Hart and when it is going to be released.” Then, the Minister was asked how he justifies the QBCC engaging with his Ministerial office in regard to right to information data being seen by the Minister before it is released.

His response- “I do not see anything in the materials that have been tabled today that would enable you to reach that conclusion.” The Minister’s response demonstrates his complete contempt for the independence of the QBCC and for accountability in government.

Secondly, the Minister also refused to explain the engagement of Labor-lobbying firm Anacta Strategies by the QBCC. A former Labor Party President and member of the left faction engaging a former Labor State Secretary and member of the left faction to improve their relationship with the Labor Minister - also a member of the left faction - creates a significant corruption risk that undermines the independence of the Commission. Questions remain as to the exact nature of the relationship between Anacta, the QBCC and Minister de Brenni.

Thirdly, the hearing revealed that over \$1 million of Queenslanders’ money was spent on an advertising campaign engaging the firm Campaign Edge via Rowland. Campaign Edge is owned by Dee Madigan, who coordinated the Labor Party’s election advertising in 2020. Additionally, when the work was sought by the QBCC, Campaign Edge did not appear on the list of approved contractors to complete the work, however, Rowland did.

The LNP have serious concerns that this arrangement was designed for the specific purpose of circumventing procurement regulations to award a lucrative government contract to yet another person who assisted the Government to be re-elected.

Further to the above, the Government also used a licensed builder whose license had been suspended on five occasions to promote the compliance operations of the QBCC.

Fourthly, the Commissioner confirmed that wait times to repair building defects have soared. One constituent advised that their wait period for allocation had been revised from 18 weeks to 30 weeks.

The hearing also revealed that political allies of Minister de Brenni were appointed to boards, nine reviews have been held to no effect and the QBCC is still without a sustainable budget.

It remains the strong position of the LNP that Minister de Brenni should resign immediately.

Resources

The hearing resembled a masterclass in deflection and distraction, led by a Minister who proved he has no voice or influence around the cabinet table.

In shocking revelations, the Minister refused to answer any questions about the hike in coal royalties which has made Queensland the highest taxing jurisdiction in the world, according to Wood Mackenzie. The Minister all but confirmed he was blindsided by the royalty hike and was not invited to Cabinet Budget Review Committee meetings to discuss one of the biggest changes the industry has experienced in recent history.

The Minister told the committee he did not consult with industry stakeholders about the royalty changes, which has now eroded any competitive trading advantage. Questions were put to the Minister asking if he had concerns with Queensland slipping down the Fraser Institute ranking in terms of international investment and attractiveness. The Minister again deflected any responsibility, refusing to take responsibility for changes which continue to strain long held international trading partnerships and hampering future trading success. The government's actions set a dangerous precedent for other resource commodities who face an uncertain future, with the Minister refusing to rule out doing the same thing to the gas industry.

Concerns about the Queensland Resources Industry Development Plan (QRIDP) were prosecuted, with particular focus towards a cut in consultation as outlined in the plan. The QRIDP states that *"regulatory changes where appropriate are subject to a 12-week consultation process..."* yet the Minister could not explain what *"where appropriate"* meant or why the full 12 week consultation timeframe, as identified in the Queensland Government's Guide to Better Regulation, would not be upheld.

The Government continues to dither on Acland stage 3, even though the Land Court and an Environmental Authority from the Department of Environment and Science has given its positive recommendation for the expansion to go ahead. Hundreds of jobs remain in the lurch while the Premier and her Minister gamble with the future of these families.

Overall, the hearing emphasised concerns in culture that Peter Coaldrake in his independent report described as a system that *"from the top down, is not meeting public expectations"*.

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.



Lachlan Millar MP
Member for Gregory
Deputy Chair



Bryson Head MP
Member for Callide



Trevor Watts MP
Member for Toowoomba North