

2023-24 Budget Estimates – Appropriation Bill 2023



Report No. 38, 57th Parliament
Transport and Resources Committee
August 2023

Transport and Resources Committee

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Acknowledgements

The committee thanks:

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

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

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Chair's foreword

This report presents a summary of the committee's examination of the budget estimates for the 2023-24 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. Upon reflection, it is very disappointing to me that certain visiting members displayed very little interest in examining the 2023-24 budget. Instead, their questioning seemed designed for political advantage rather than a genuine interrogation of the budget. Every year, non-government members complain about insufficient time allocated to them for questions; yet every year they waste valuable time with these political lines of questioning, rather than analysing the expenditure.

The committee has recommended that the proposed expenditure, as detailed in the Appropriation Bill 2023 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 and Digital Services; the Minister for Energy, Renewables and Hydrogen and Minister for 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 other members of the committee for their hard work and valuable contribution to the estimates process, and some visiting members whose participation in the hearing provided genuine additional scrutiny of the estimates.

Finally, double thumbs up to the committee's secretariat and other Parliamentary Service staff for their assistance throughout the estimates process.



Shane King MP

Chair

August 2023

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

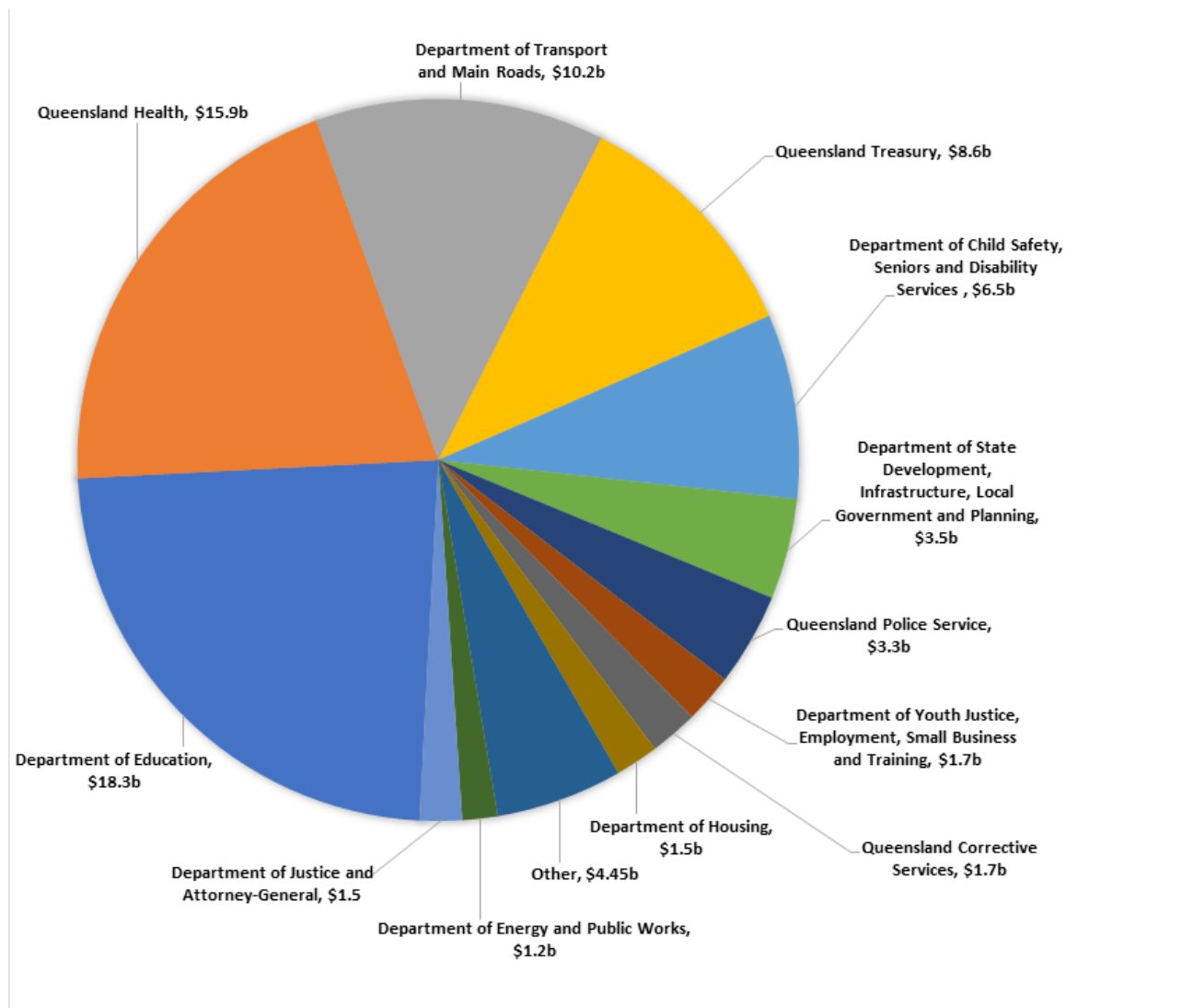
On 16 June 2023, the Appropriation Bill 2023 and the estimates for the committee's area of responsibility were referred to the committee for investigation and report.²

The estimates process is one of the key mechanisms to examine government expenditure, performance and effectiveness. By examining and reporting on the proposed expenditures contained in the Appropriation Bill and the Appropriation (Parliament) Bill the committee assists the Parliament in its scrutiny of the Government's proposed expenditure.

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.

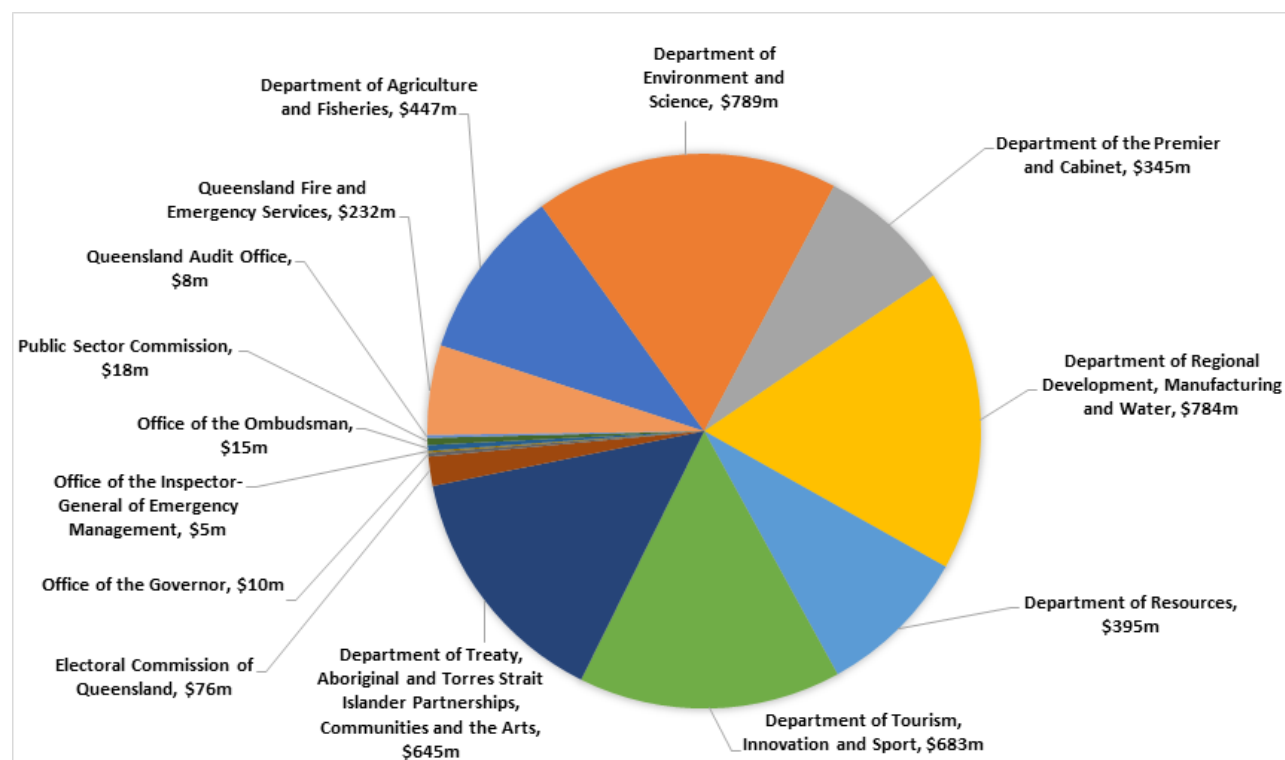
The Appropriation for 2023-24 is \$78,411,379,000.³ The proposed expenditure across Government by portfolio is:



Source: Appropriation Bill 2023, Schedule 1⁴

³ Appropriation Bill 2023, section 2.

⁴ The figures used in the pie chart have been rounded.

Table: Expansion of 'Other, \$4.45b'

Source: Appropriation Bill 2023, Schedule 1⁵

The committee's examination of the Appropriation Bill 2023 is in relation to the:

- Department of Transport and Main Roads
- Department of Energy and Public Works
- Department of Resources.

On 8 August 2023, the committee conducted a public hearing and took evidence about the proposed expenditure from the Minister for Transport and Main Roads and Digital Services, the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement, the Minister for Resources and other witnesses. A copy of the transcript of the committee's hearing is available on the committee's webpage.

1.2 Aim of this report

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

The committee considered information contained in:

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

⁵ The figures used in the pie chart have been rounded.

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

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.

1.3 Participation by other Members

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

- David Crisafulli MP, Member for Broadwater
- Jarrod Bleijie MP, Member for Kawana
- Anne Leahy MP, Member for Warrego
- Fiona Simpson MP, Member for Maroochydore
- Steve Minnikin MP, Member for Chatsworth
- Pat Weir MP, Member for Condamine
- Tim Mander MP, Member for Everton
- Brent Mickelberg MP, Member for Buderim
- Andrew Powell MP, Member for Glass House
- Jon Krause MP, Member for Scenic Rim
- Stephen Andrew MP, Member for Mirani
- Michael Berkman MP, Member for Maiwar
- Dr Amy MacMahon MP, Member for South Brisbane.

2 Recommendation

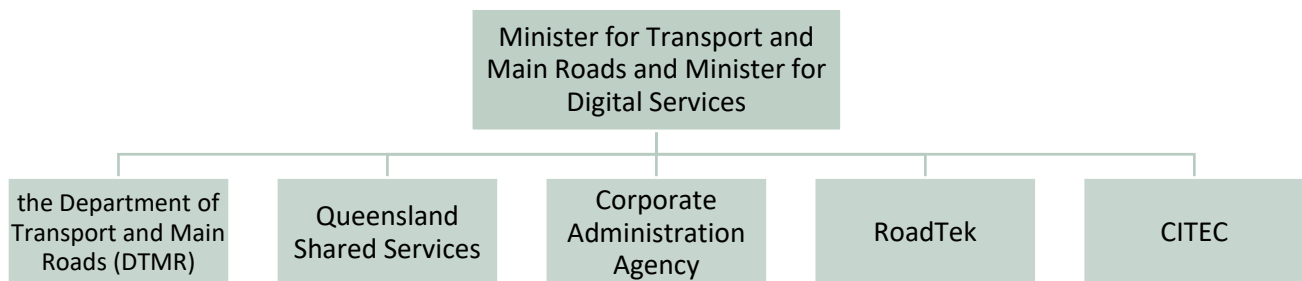
Pursuant to Standing Order 187(1), the committee must state whether the proposed expenditures referred to it are agreed to.

Recommendation 1

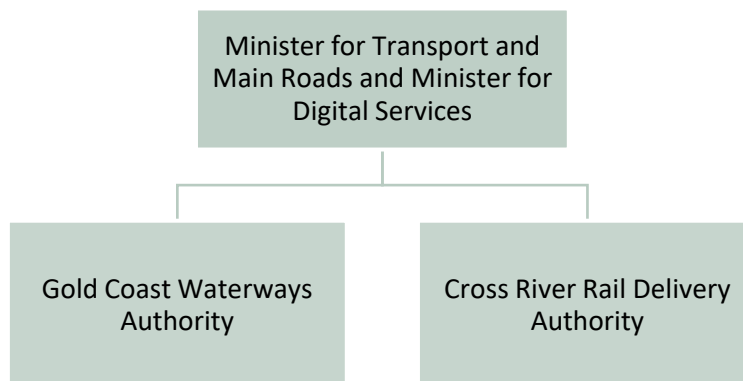
The committee recommends that the proposed expenditure, as detailed in the Appropriation Bill 2023 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3 Minister for Transport and Main Roads and Minister for Digital Services

The Minister has responsibility for the following agencies, services and statutory entities:⁶



The Minister's responsibilities also include:⁷



To assist the committee with its consideration of portfolio estimates, and in keeping with the requirements of Schedule 7 of the Standing Orders, the chief executives of the following organisations were present at the hearing on 8 August 2023: Far North Queensland Ports Corporation Limited (Trading as Ports North); Gladstone Ports Corporation Limited; North Queensland Bulk Ports Corporation Limited; Port of Townsville Corporation Limited; Gold Coast Waterways Authority; Queensland Rail Limited; and Cross River Rail Delivery Authority.⁸

⁶ Queensland Budget 2023-24, Service Delivery Statements (SDS), Department of Transport and Main Roads (DTMR), p (i).

⁷ Queensland Budget 2023-24, SDS, DTMR, p (i).

⁸ Schedule 7 of the Standing Orders sets out a list of statutory entities to which direct questioning of chief executives at estimates applies.

3.1 Department of Transport and Main Roads

The Honourable Mark Bailey MP, Minister for Transport and Main Roads and Minister for Digital Services, is the Minister responsible for the Department of Transport and Main Roads (DTMR). DTMR has the following 6 service areas:

- Transport System Investment Planning and Programming
- Transport Infrastructure Management and Delivery
- Transport Safety and Regulation
- Customer Experience
- Passenger Transport Services
- Customer and Digital Services.⁹

The objectives of these services areas are to:

- develop and prioritise transport policy and investment to support economic and regional development and meet Queensland's long-term transport needs
- maintain and operate an integrated transport network accessible to all
- enhance the safety of the transport system through quality regulation, road and maritime safety programs
- understand evolving customer needs and expectations, to improve customer experiences and reduce complaints.
- connect Queensland through reliable and accessible passenger transport services
- benefit Queenslanders and their businesses by delivering and improving government services and investing in a digitally enabled economy.¹⁰

3.1.1 Budget overview

The proposed budget comprises \$8.223 billion in departmental expenditure and almost \$3.236 billion in funding to be administered by DTMR on behalf of the state.¹¹

The proposed \$8.223 billion in departmental expenses represents an increase of \$681.2 million on estimated actual departmental spending in 2022-23, which the DTMR Service Delivery Statements state is primarily due to:

- increased expenditure under the transport service contract with Queensland Rail for cost escalation
- increased depreciation for the additional investment in road infrastructure
- increased employee expenses in line with enterprise bargaining agreements, and
- estimated actuals for 2022-23 presented on a pre-machinery-of-government basis.¹²

⁹ Queensland Budget, 2023-24, SDS, DTMR, p 2.

¹⁰ Queensland Budget, 2023-24, SDS, DTMR, p 2.

¹¹ Queensland Budget, 2023-24, SDS, DTMR, p 12.

¹² Queensland Budget, 2023-24, SDS, DTMR, p 15.

The estimated \$3.236 billion in administered expenses is an increase of \$210.6 million on DTMR's estimated actual expenditure (from \$3.025 billion) and a \$172.9 million increase on the 2022-23 budgeted amount (\$3.062 billion). This increase is due to:

- indexation of vehicle registration
- growth in vehicle numbers
- reprofiled funding for the Cross River Rail Delivery Authority and the Mount Isa to Townsville Rail Line, and
- partially offset by the machinery-of-government change transferring fines and penalty debt administration to Queensland Revenue Office.¹³

To fund this budgeted expenditure, the Appropriation Bill 2023 proposes that DTMR receive a departmental appropriation of \$6.945 billion in 2023-24, with the remainder of the almost \$1.474 billion in planned departmental spending to be financed through a combination of user charges and fees, grants and other contributions, interest and distributions from managed funds, and other revenue.¹⁴

The following table taken from the Appropriation Bill 2023 illustrates the combined total of the cash appropriations for the department for 2023-24, compared with the budgeted and actual cash appropriations for DTMR in 2022-23.

Appropriations	Budget 2022-23 \$'000	Est. Actual 2022-23 \$'000	Vote 2023-24 \$'000
<i>Controlled Items</i>			
departmental services	6,232,769	6,361,615	6,945,131
equity adjustment	3,081,244	3,860,526	2,472,236
<i>Administered Items</i>	1,228,183	882,339	738,396
Vote	10,542,196	11,104,480	10,155,763

Source: Appropriation Bill 2023, Schedule 2, p. 13.

As highlighted in the table above, the total combined 2023-24 appropriation of \$6,945,000 million represents an increase of \$712.362 million on last year's budgeted appropriations, and \$583.516 million on the estimated actual total appropriations for the department in 2022-23.

¹³ Queensland Budget, 2023-24, SDS, DTMR, p 15.

¹⁴ Queensland Budget, 2023-24, SDS, DTMR, p 16.

Trends in Vote

For comparison, the table below shows the amount sought in the Budget 2023 for the Vote against spending over the previous three years.¹⁵

	2020-21 Estimated Actual \$million	2021-22 Estimated Actual \$million	2022-23 Estimated Actual \$million	2023-24 Estimates Sought \$million
	5,694.014	5,925.548	6,359.622	6,945.131
% Change	4.1	7.3	9.2	

Budget highlights – Department of Transport and Main Roads

The 2023-24 budget highlights for DTMR include:¹⁶

reduce the cost of living in remote area communities	<ul style="list-style-type: none"> \$90.7 million over 6 years to target freight disadvantage
deliver safe, accessible and resilient marine infrastructure	<ul style="list-style-type: none"> \$80 million over 6 years to deliver Stage 1 of the Torres Strait Islands Marine Infrastructure Program (on a 50:50 basis jointly funded with the Australian Government)
expand the implementation of the Translink Network Officers' and Third-party enforcement program	<ul style="list-style-type: none"> \$60.7 million over 5 years and \$14.9 million per annum ongoing (indexed annually)
support the Cyber Security unit and the delivery of cyber security partnerships	<ul style="list-style-type: none"> \$73.5 million over 4 years and \$17.8 million per annum
improve driver safety	<ul style="list-style-type: none"> \$12.7 million over 5 years from 2022–23 for the roll out of driver protection barriers on up to 600 buses

3.1.2 Capital program

Capital purchases of \$6.946 billion have been planned by DTMR in 2023-24 for a range of projects, including:

- \$420 million towards Coomera Connector (Stage 1), Coomera to Nerang
- \$259.4 million towards Gold Coast Light Rail (Stage 3), Broadbeach South to Burleigh Heads
- \$240 million towards Logan and Gold Coast Faster Rail
- \$200 million towards the Queensland Train Manufacturing Program
- \$190 million towards Pacific Motorway, Varsity Lakes (Exit 85) to Tugun (Exit 95) upgrade
- \$170.5 million towards Bruce Highway, (Cooroy to Curra) Section D construction

¹⁵ Queensland Budget 2021-22, SDS, DTMR, p 13, Queensland Budget, 2022-23, DTMR, p 10, Queensland Budget, 2023-24, DTMR, p 12.

¹⁶ Queensland Budget, 2023-24, SDS, DTMR, p 4.

- \$123.1 million towards ongoing accessibility modifications for New Generation Rollingstock to comply with disability standards.¹⁷

DTMR's 2023–24 budget also provides for capital grants of \$619.4 million, which includes \$76 million towards the Transport Infrastructure Development Scheme to local governments, and \$22.5 million towards charging infrastructure as part of the Zero Emission Vehicle strategy. In addition \$16.2 million has been allocated towards the Beams Road (Carseldine and Fitzgibbon), upgrade rail level crossing, and \$12 million towards the development of the cycle network throughout Queensland.

3.1.3 Matters raised during the committee's examination of the Department of Transport and Main Roads

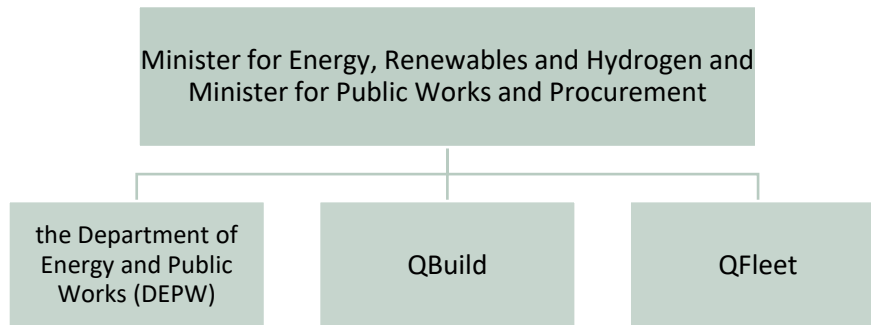
Matters considered by the committee in relation to the estimates for the Department of Transport and Main Roads included:	Public hearing transcript, Brisbane, 8 August 2023, page no:
cost of the Queensland Train Manufacturing Program	4, 6, 7, 16
publication of the cost of the Queensland Train Manufacturing Program	4-5, 8, 13-15, 19-20
accessibility modifications to the New Generation Rollingstock to comply with disability standards	10
investment in rail infrastructure	11
infrastructure investments in North and Far North Queensland	13
Queensland Train Manufacturing Program contract finalisation date	17
digital driver's licence	18, 26-27
emergency vehicle priority system and TMR servers	19, 49
QTRIP investments in the Moreton Bay region	21
investment in Queensland government owned ports	22
QTRIP investments in the Gold Coast	24
Departmental recruitment processes and whether family members of ministers are employed in the department	26
Cross River Rail Project	27-28, 43-46
Queensland Rail and compliance with federal disability standards	29, 46-47
Airtrain	29
the government's approach to digital transformation	29-31

¹⁷ Queensland Budget 2023-24, Capital Statement – Budget Paper No. 3, p 93.

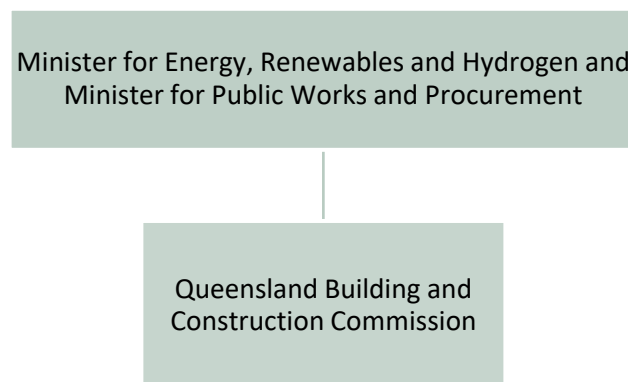
cost-of-living pressures and government support	31-32
QTRIP investments and benefit to regional Queenslanders	32-33
Transmax's Emergency Vehicle Priority (EVP) system	33-36
Gin Gin rest stop	36
budget for the Inland Freight Route	36
Toowoomba North South Transport Corridor	37-38
capital allocation to the Bruce Highway	38-39
mobility and active transport	39-40
QTRIP and transportation for the Brisbane 2032 Olympic and Paralympic Games	40-41
Cross River Rail and safety	41-42
HR issues at the Queensland Rail control room	46
roads and transport investment in the region Sunshine Coast	47-48

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

The Minister has responsibility for the following agencies, services and statutory entities:¹⁸



The Minister's responsibilities also include:¹⁹



To assist the committee with its consideration of portfolio estimates, and in keeping with the requirements of Schedule 7 of the Standing Orders, the chief executives of the following organisations were present at the hearing on 8 August 2023: Queensland Building and Construction Commission; CleanCo Queensland Limited; CS Energy Limited; Energy Queensland Limited; Powerlink Queensland; Stanwell Corporation Limited; and Energy and Water Ombudsman Queensland.²⁰

4.1 Department of Energy and Public Works

The Honourable Michael de Brenni MP, Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement, is the Minister responsible for the Department of Energy and Public Works (DEPW). The department has the following three service areas:

- Grow Queensland's energy sector
- Building and government accommodation services
- Procurement policy and enabling services.²¹

¹⁸ Queensland Budget 2023-24, SDS, Department of Energy and Public Works (DEPW), p (i).

¹⁹ Queensland Budget 2023-24, SDS, DEPW, p (i).

²⁰ Schedule 7 of the Standing Orders sets out a list of statutory entities to which direct questioning of chief executives at estimates applies.

²¹ Queensland Budget, 2023-24, SDS, DEPW, p 1.

The objectives of these services areas are to:

- lead the energy sector to deliver reliable, affordable and renewable energy to Queensland households and businesses
- deliver professional management of government infrastructure projects, that maximises opportunities for local businesses, as well as fit for purpose, well utilised and sustainable government office accommodation and employee housing
- lead whole of government procurement practices that leverage Government's buying power to prioritise Queensland businesses and jobs and ethical supply chains.²²

4.1.1 Budget overview

The proposed budget comprises \$1.323 billion in departmental expenditure and almost \$640 million in funding to be administered by DEPW on behalf of the state.²³

The proposed \$1.323 billion in departmental expenses represents an increase of \$215.698 million on estimated actual departmental spending in 2022-23, which the DEPW Service Delivery Statements state is primarily due to grant payments for the Resilient Homes Fund and Household Energy initiatives programs commencing in 2023-24.²⁴

Total revenue and expenses are estimated to be \$641 million in 2023-24, a decrease of \$79 million from the 2022-23 financial year. The decrease is mainly due to lower estimated funding required in 2023-24 for the Energy Queensland Community Service Obligations.²⁵

To fund this budgeted expenditure, the Appropriation Bill 2023 proposes that DEPW receive a departmental appropriation of \$271.4 million in 2023-24, with the remainder of the almost \$1.036 billion in planned departmental spending to be financed through a combination of user charges and fees, grants and other contributions, interest and distributions from managed funds, and other revenue.²⁶

The following table taken from the Appropriation Bill 2023 illustrates the combined total of the cash appropriations for the department for 2023-24, compared with the budgeted and actual cash appropriations for DTMR in 2022-23.

Appropriations	Budget 2022-23 \$'000	Est. Actual 2022-23 \$'000	Vote 2023-24 \$'000
<i>Controlled Items</i>			
departmental services	205,242	280,124	270,433
equity adjustment	111,654	58,076	79,172
<i>Administered Items</i>	668,351	1,020,780	890,387
Vote	985,247	1,358,980	1,239,992

Source: Appropriation Bill 2023, Schedule 2, p. 10.

²² Queensland Budget, 2023-24, SDS, DEPW, p 1.

²³ Queensland Budget, 2023-24, SDS, DEPW, p 7.

²⁴ Queensland Budget, 2023-24, SDS, DEPW, p 9.

²⁵ Queensland Budget, 2023-24, SDS, DEPW, p 9.

²⁶ Queensland Budget, 2023-24, SDS, DEPW, p 10.

As highlighted in the table above, the total combined 2023-24 appropriation of \$270.433 million represents an increase of \$65.191 million on last year's budgeted appropriations, and a decrease of \$9.691 million on the estimated actual total appropriations for the department in 2022-23.

Trends in Vote

For comparison, the table below shows the amount sought in the Budget 2023 for the Vote against spending over the previous three years.²⁷

	2020-21 Estimated Actual \$million	2021-22 Estimated Actual \$million	2022-23 Estimated Actual \$million	2023-24 Estimates Sought \$million
	174,238	196,629	316,896	271,400
% Change	12.8	61.2	-8.56	

Budget highlights – Department of Energy and Public Works

The 2023-24 budget highlights for DEPW include:²⁸

support Rebuild QBuild, re-introducing funding for apprentice training, upgrading depots and support for the initial operating costs and investment in the QBuild Rapid Accommodation and Apprentice Centres in Eagle Farm and Cairns	<ul style="list-style-type: none"> \$24.8 million (\$15.3 million operational and \$9.5 million capital)
deliver energy efficiency measures to keep costs down for households, enabling more choice and greater energy equity	<ul style="list-style-type: none"> \$40 million
deliver the Queensland Business Energy Saving and Transformation Program to support businesses in Queensland to reduce their electricity bills	<ul style="list-style-type: none"> \$14.5 million
undertake strategic planning and community engagement activities to develop Queensland Renewable Energy Zones in a coordinated way and increase community benefits	<ul style="list-style-type: none"> \$12 million
for charging infrastructure to make government buildings Zero Emission Vehicle ready	<ul style="list-style-type: none"> \$12.5 million

4.1.2 Capital program

Capital purchases of \$149.7 million have been planned by DEPW in 2023-24 for projects, including:

- \$118.2 million investment to deliver safe and secure government employee housing including in remote and regional communities as part of government's commitment to attract and retain key frontline staff

²⁷ Queensland Budget 2021-22, SDS, DEPW, p 7, Queensland Budget 2022-23, SDS, DEPW, p 7, Queensland Budget, 2023-24, SDS, DEPW, p 10.

²⁸ Queensland Budget, 2023-24, SDS, DEPW, p 2.

- \$12.5 million to make Zero Emission Vehicle (ZEV) charging infrastructure available in Queensland government buildings.²⁹

DEPW's 2023–24 budget also provides for capital grants of \$201.6 million to eligible homeowners to raise, repair or retrofit their homes to incorporate flood resilient design and materials to reduce the impacts of future flood events.³⁰

4.1.3 Matters raised during the committee's examination of the Department of Energy and Public Works

Matters considered by the committee in relation to the estimates for the Department of Energy and Public Works:	Public hearing transcript, Brisbane, 8 August 2023, page no:
forced outage of Callide C4 Power Station and impact on electricity prices	53-54
Coal and electricity prices at Queensland government owned generators	53-54
electricity prices in Queensland	54, 55
Callide C3 and C4 and coal arrangements	55
Queensland Hydro project	55-57, 62-63
investment in cybersecurity	57
public ownership of energy systems	57-58
Queensland SuperGrid	58-59
government investment in Queensland's publicly owned electricity generators	59-60
maintenance at the time of the C4 explosion at Callide in 2021	60-61
Pioneer-Burdekin pumped hydro project	61-62
clean energy hubs and employment opportunities in the energy supply industry	64
Queensland Energy and Jobs Plan and regional Queensland	65-66
public ownership percentage in the electricity generation sector	66
CleanCo ownership of renewable generation assets	66
CS Energy and financial impact of the Callide C4 Power Station closure	67
Queensland Building and Construction Commission	67-72, 75-79, 83
investment in new social and government employee housing in Queensland	72-73

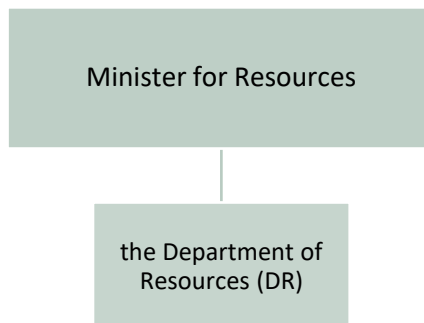
²⁹ Queensland Budget, 2023-24, Capital Statement – Budget Paper No. 3, p 40.

³⁰ Queensland Budget, 2023-24, Capital Statement – Budget Paper No. 3, p 40.

government procurement spending to 2032	73-74
DEPW investment in satellite hospitals	74
the National Construction Code	79-80
Rebuild QBuild partnership with Queensland trade unions	80-81
support for contractors in the construction industry	81-82
training the next generation of tradespeople	82
QBuild	82-83

5 Minister for Resources

The Minister has responsibility for the following agencies, services and statutory entities:³¹



To assist the committee with its consideration of portfolio estimates, and in keeping with the requirements of Schedule 7 of the Standing Orders, the chief executives of the following organisations were present at the hearing on 8 August 2023: GasFields Commission Queensland; Land Access Ombudsman and Resources Safety and Health Queensland.³²

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 Administration and Property Services
- Minerals and Energy Resources Services.³³

The objectives of these services areas are to:

- optimise the use of land resources to support economic growth and just outcomes for the Queensland community through the provision of modern and effective land administration and property services
- enable a resilient, responsible and sustainable resources industry that grows as it transforms.³⁴

5.1.1 Budget overview

The proposed budget comprises \$413.094 million in departmental expenditure and \$462.963 million in funding to be administered by DR on behalf of the state.³⁵

The proposed \$413.094 million in departmental expenses represents an increase of \$54.15 million on estimated actual departmental spending in 2022-23, which the DR Service Delivery Statements state is largely driven by:

³¹ Queensland Budget, 2023-24, SDS, Department of Resources (DR), p (i).

³² Schedule 7 of the Standing Orders sets out a list of statutory entities to which direct questioning of chief executives at estimates applies.

³³ Queensland Budget, 2023-24, SDS, DR, p 1.

³⁴ Queensland Budget, 2023-24, SDS, DR, p 1.

³⁵ Queensland Budget, 2023-24, SDS, DR, p 5.

- new budget measures since the 2022–23 published budget to support implementation of an enhanced vegetation compliance model to reduce emissions from unexplained land clearing as part of the government’s commitment to achieve emissions reductions targets
- the Frontier Gas Exploration grants program to support appraisal activities to unlock significant gas resources in the Bowen and Galilee basins
- and continued management and mitigation of significant public safety, health and environmental risks at high-risk abandoned mine sites.³⁶

The estimated \$282.963 million in administered expenses, is an increase of \$12.545 million increase on DR’s estimated actual expenditure (from \$270.418 million) and a \$3.951 million increase on the 2022-23 budgeted amount (279.012 million).³⁷

To fund this budgeted expenditure, the Appropriation Bill 2023 proposes that DR receive a departmental appropriation of \$393.197 million in 2023-24, with the remainder of the almost \$19.897 million in planned departmental spending to be financed through a combination of user charges and fees, grants and other contributions and other revenue.³⁸

The following table taken from the Appropriation Bill 2023 illustrates the combined total of the cash appropriations for the department for 2023-24, compared with the budgeted and actual cash appropriations for DR in 2022-23.

Appropriations	Budget 2022-23 \$'000	Est. Actual 2022-23 \$'000	Vote 2023-24 \$'000
<i>Controlled Items</i>			
departmental services	365,222	331,729	390,697
equity adjustment	1,055	5,313	(133)
<i>Administered Items</i>	4,559	6,394	4,061
Vote	370,836	343,436	394,625

Source: Appropriation Bill 2023, Schedule 2, p. 12.

As highlighted in the table above, the total combined 2023-24 appropriation of \$390.697 million represents an increase of \$25.475 million on last year’s budgeted appropriations, and \$58.968 million on the estimated actual total appropriations for the department in 2022-23.

³⁶ Queensland Budget, 2023-24, SDS, DR, p 7.

³⁷ Queensland Budget, 2023-24, SDS, DR, p 5.

³⁸ Queensland Budget, 2023-24, SDS, DR, p 8.

Trends in Vote

For comparison, the table below shows the amount sought in the Budget 2023 for the Vote against spending over the previous three years.³⁹

	2020-21 Estimated Actual \$million	2021-22 Estimated Actual \$million	2022-23 Estimated Actual \$million	2023-24 Estimates Sought \$million
	310.52	311.028	340.689	393.197
% Change	0.16	9.54	15.41	

Budget highlights – Department of Resources

The 2023-24 budget highlights for DR include:⁴⁰

support appraisal activities to unlock significant gas resources in the Bowen and Galilee basins	<ul style="list-style-type: none"> \$21 million over 2 years to implement the Frontier Gas Exploration grants program
continue management and mitigation of significant public safety, health and environmental risks at high-risk abandoned mine sites	<ul style="list-style-type: none"> \$19.9 million over 2 years
implement an enhanced vegetation compliance model to reduce emissions from unexplained land clearing as part of the government's commitment to achieve emissions reductions targets	<ul style="list-style-type: none"> \$9.8 million over 4 years
Drought Assistance and Reform Package	<ul style="list-style-type: none"> up to \$3.2 million in 2023–24 through rent rebates for primary production leases in drought declared areas

5.1.2 Capital program

Capital purchases of \$11 million have been planned by DR in 2023-24 to support maintenance of the state's stock route network, investment in digital solutions to support the vast datasets used to stimulate economic development in Queensland and other critical property, plant and equipment assets to support the department's service delivery requirements.⁴¹

³⁹ Queensland Budget, 2021-22, SDS, DR, p 6, Queensland Budget, 2022-23, SDS, DR, p 5, Queensland Budget, 2023-24, SDS, DR, p 8.

⁴⁰ Queensland Budget, 2023-24, SDS, DR, p 2.

⁴¹ Queensland Budget, 2023-24, Capital Statement – Budget Paper No. 3, p 85.

5.1.3 Matters raised during the committee's examination of the Department of Resources

Matters considered by the committee in relation to the estimates for the Department of Resources included:	Public hearing transcript, Brisbane, 8 August 2023, page no:
QCoal Byerwen mine and fly-in fly-out worker accommodation	86-87
feedback regarding new regulatory changes	87-88
sovereign risk and investment in Queensland	89, 95-96
bonds held by small miners	89, 99
Great Keppel Island lease	90
gas induced subsidence	90-91
vegetation management and recent SLATS data	91-92
critical minerals zones	92
high-potential incidents in Queensland mines	93, 99
Critical Minerals Strategy and PwC	94
New Acland mine	94
Australian government's code of conduct for the gas industry	96
issues affecting land rents	97
Queensland Resources Common User Facility	97-98
objectives of the Critical Minerals Strategy	98
commercial river mooring in the Brisbane CBD	99-100
Double Island	100
breach notices and the Land Act 1994	100
bulldozer incidents at mine sites	101-102
actions progressed under the Place Names Act	102-103
World Mining Congress	103
Explosives Inspectorate	104
closure of council gravel pits	104-105, 110-111
titles registry service closures	105

Critical Minerals and Battery Technology Fund	106
GasFields Commission and the reverse onus of proof for landholders	106
Queensland Resources Industry Development Plan	107-108
work undertaken by the RSHQ's Petroleum and Gas Inspectorate	108
rehabilitation of abandoned mines in Queensland	108-109
Senex commercial arrangements with Visy	109
calculation of Queensland Critical Minerals Strategy funding	110
Frontier Gas Exploration grants program	111

TRANSPORT AND RESOURCES COMMITTEE

2023/24 BUDGET ESTIMATES

STATEMENT OF RESERVATION

OPPOSITION COMMITTEE MEMBERS

INTRODUCTION

Opposition members of the Committee agree with the passing of the 2023/24 Budget.

The Estimates process gives the Parliament the opportunity to question the government on its financial stewardship and its proposals for the forthcoming year.

As has become apparent throughout this process, the government has grown rigid and unresponsive, its management of the state's finances has become haphazard and there is a growing gap between its promises and its record of delivery.

The state's economy faces significant challenges and Queenslanders are facing increasing cost of living pressures. This Budget was an opportunity for the government to meet these challenges and provide effective cost of living relief via means such as driving down electricity prices.

Unfortunately, there is little evidence of either of these objectives being met.

Long term economic trends are not encouraging and the government has adopted a piecemeal approach to mitigate cost of living pressures without addressing the fundamental reasons behind spiralling increases such as vehicle registration.

As a consequence, and despite claims of record expenditure, the government has been unable to reassure Queenslanders that genuine steps are being taken to address critical challenges such as the housing crisis.

Immersed in chaos, the government has failed to demonstrate, through the Estimates process, that it has solutions to the problems facing Queenslanders.

TRANSPORT, MAIN ROADS

The estimates hearing further exposed the government's massive breach of trust with taxpayers over the \$2.4 billion blowout in the Queensland Train Manufacturing Program.

It was revealed that the Minister's office had requested that the true \$9.5 billion cost be removed from communications. Coming 3 days after the media release was issued, this raises serious doubts over the Minister's assertions that the use of the incorrect price on the media release was just an oversight.

This is yet another failure by Minister Bailey and while he has taken responsibility, there continues to be a lack of consequences for his ongoing failures.

It is noted that the Premier has now launched a review into this matter however failure to release a terms of reference, timeframe or appoint an external reviewer gives no confidence that the Premier is interested in letting the sunshine in and ensuring it's properly investigated.

The Queensland Train Manufacturing Program is only the latest in a long line of project blowouts. Cross River Rail has (officially) blown out by almost a billion, however the true number is likely to be much more than that.

It was revealed yet another separate project exists called “Cross River Rail integration works” that the Department explained was a necessary part of Cross River Rail. However, this \$185m project is outside the Cross River Rail budget and is hidden within another QTRIP line item with the nondescript title of “Other works”.

Failures within the portfolio have also potentially put the lives of Queenslanders at risk. It was revealed that the Emergency Vehicle Priority system designed to give ambulances and other emergency vehicle priority at signalised intersections was not working on Brisbane City Council controlled lights for 6 months.

This system is managed by the State and operates from a server owned by the State. The Minister’s attempts to divert blame to Brisbane City Council were an embarrassment to himself and this government.

ENERGY, RENEWABLES AND HYDROGEN

The Energy hearing again proved Queenslanders cannot trust the Palaszczuk Government to properly manage Queensland’s electricity network. The hearing revealed Queenslanders continue to pay sky high electricity prices because the Palaszczuk Government cannot properly maintain its power plants.

The incident at Callide reduced available supply which in turn has increased household electricity prices. The committee also learnt CS Energy has not been exposed to global factors the Premier constantly refers to as an excuse for coal prices increasing. The hearing confirmed the government has no plan for downward pressure on electricity prices. Concerns pertaining to a lack of maintenance at government owned power plants were raised, with the government responding “Backlogs are a normal part of managing the work”.

The hearing also uncovered a clear schism between Ministers on the future of the Pioneer Burdekin hydro project. Budget Estimates has revealed not only is there no funding in this year’s Budget for the project, but, embarrassingly, Palaszczuk Government Ministers are at odds about whether the project would even proceed. The Palaszczuk Government is walking both sides of the fence, claiming the Pioneer Burdekin pumped hydro is ‘absolutely’ proceeding, while at the same time claiming it needs to pass environmental assessments.

What is certain is the Palaszczuk Government can’t deliver the energy solutions needed for Queensland’s future.

PUBLIC WORKS, PROCUREMENT

As it has done at each hearing since the re-election of the Palaszczuk Government in 2020, the Opposition used the Committee’s hearing to raise concerns with the Queensland Building and Construction Commission (QBCC). Integrity issues and the culture of the building watchdog, under the helm of Minister de Brenni, were at the forefront of the issues covered.

Of note, the Commissioner advised that seven complaints or matters have been referred by the QBCC itself to the Crime and Corruption Commission (CCC) in the last financial year. Further to this, the Commissioner also advised that she personally referred a current or former Board member of the QBCC to the CCC.

In an effort to distract from his own failings, the Minister attempted to misrepresent the Opposition's questioning as being critical of QBCC staff. To the contrary, the Opposition have no issue with the many hard-working men and women of the QBCC, striving to undertake the important work of the state's building regulator. Rather, the Opposition's chief concern with the QBCC is the Ministerial oversight of the organisation, and the Minister's willingness to use the QBCC, its employees, and its board, as his own political 'play thing'.

The delays for the inspection of defective building work revealed at the hearing (up to six months), indicate that the most fundamental work of the QBCC is suffering because of the chaos and crisis of the Palaszczuk Government.

This was brought to the fore with the Minister unwilling to budge and back away from his position to delay changes to the National Construction Code due to come into effect later this year. This is despite the pleas from the industry, who are gravely concerned that the changes will add significant costs to building a home. To be totally clear, the LNP do not disagree with the changes to the National Construction Code, but like key industry stakeholders, are requesting the changes be delayed as has been done in every other state.

Finally, the Minister failed to categorically rule out a new levy on builders. The QBCC governance review noted that it should be a priority for the QBCC to establish a sustainable funding model, which included a fixed revenue base. Asked to rule out a new levy, the Minister could only advise that "the government does not have a firm position on how we will resolve the sustainable funding of the QBCC".

RESOURCES

The Minister showed the government is not interested in fixing the multitude of issues and declining industry confidence plaguing Queensland's resources sector.

The committee was told no modelling had been completed on the impact to the Glenden community that approving onsite mine accommodation would have. Concerns relating to investor confidence in Queensland were met with a dismissive response. Other issues raised by the opposition include a failed approach to island resort management, as identified in a scathing committee report, and a lack of commercial river mooring opportunities for small and family businesses in the Brisbane CBD.

The Opposition also raised concerns about CSG induced subsidence and service delivery cuts to title search services in Queensland's rural and regional areas.

CONCLUSION

The evidence given by Ministers has failed to provide the reassurance that Queenslanders seek that the government has solutions to the myriad of problems facing the state.

The Estimates process, despite its well-known and long-standing shortcomings, provided no significant evidence that the government has a sustainable and considered plan to restore and improve key services.

With infrastructure costs seeing record blowouts, sky high energy costs, and crisis on all fronts, the government has wasted the opportunity presented by the 2023/24 Budget to meet the reasonable expectations of Queenslanders.

A government consumed by crisis and chaos has failed in its basic responsibilities resulting in Queenslanders having to pay an unsustainable price.



Lachlan Millar MP
Member for Gregory
Deputy Chair



Bryson Head MP
Member for Callide



Trevor Watts MP
Member for Toowoomba North