

2014-15 Budget Estimates

Report No. 48

Transport, Housing and Local Government Committee

August 2014

TRANSPORT, HOUSING AND LOCAL GOVERNMENT COMMITTEE

Chair	Mr Howard Hobbs MP, Member for Warrego
Deputy Chair	*Mrs Desley Scott MP, Member for Woodridge
Members	Mr John Grant MP, Member for Springwood Mr Darren Grimwade MP, Member for Morayfield Mr Carl Judge MP, Member for Yeerongpilly Mr Anthony Shorten MP, Member for Algester Mr Jason Woodforth MP, Member for Nudgee
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Acknowledgements

The Committee wishes to acknowledge the assistance provided by the Department of Transport and Main Roads, the Department of Housing and Public Works, and the Department of Local Government, Community Recovery and Resilience during the course of the Committee's inquiry.

Chair's Foreword

This report presents a summary of the Committee's examination of the Budget Estimates for the 2014-15 financial year.

Consideration of the Budget Estimates allows for the public examination of both the responsible Minister and Chief Executive Officers of agencies within the Committee's portfolio area. This examination was undertaken through a process of questions on notice and public hearing.

The Committee has made one recommendation as follows:

- *that the proposed expenditure, as detailed in the Appropriation Bill 2014 for the Committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.*

On behalf of the Committee, I wish to thank each Minister and their departmental officers for their cooperation 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 and the Committee's secretariat for their assistance and support through the process.

A handwritten signature in black ink, appearing to read 'Howard Hobbs', with a long, sweeping underline.

Howard Hobbs MP
Chair

August 2014

1. Introduction

1.1 *Role of the Committee*

The Transport, Housing and Local Government Committee (the Committee) is a portfolio committee of the Queensland Parliament required under section 88 of the *Parliament of Queensland Act 2001* and established under the Standing Rules and Orders. The Committee's areas of responsibility include transport, main roads, housing, public works, local government and community recovery and resilience.¹

On 2 April 2014, the Appropriation Bill 2014 and the estimates for the Committee's areas of responsibility were referred to the Committee for investigation and report.² The Committee noted that, as a trial for 2014, all portfolio committees are to have two days on which to conduct hearings (Tuesday 15 and Thursday 17 July 2014) and the hearing times shall be between 9am and 5pm only.

The Committee conducted a public hearing on 15 July 2014 and took evidence about the proposed expenditure from the Minister for Transport and Main Roads, and other witnesses. On 17 July 2014, the Committee conducted a public hearing and took evidence about the proposed expenditure from the Minister for Housing and Public Works and the Minister for Local Government, Community Recovery and Resilience, and other witnesses. A copy of the transcript of the two Committee hearings can be accessed at: <http://www.parliament.qld.gov.au/work-of-assembly/sitting-dates/latest-sitting-dates>

1.2 *Aim of this report*

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 and
- additional information given in relation to answers.

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

Prior to the public hearing, the Committee provided the Minister for Transport and Main Roads, the Minister for Housing and Public Works and the Minister for Local Government, Community Recovery and Resilience 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, and minutes of the Committee's meetings are included in a volume of additional information tabled with this report.

¹ Schedule 6 – Portfolio Committees, Standing Rules and Orders of the Legislative Assembly

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 Other Members participation

Ms Jackie Trad MP, Member for South Brisbane, replaced Mrs Desley Scott MP, Member for Woodridge, on the Committee for the period between 9.00am and 5.00pm of the estimates hearing held on 15 July 2014. Mrs Jo-Ann Miller MP, Member for Bundamba, replaced Mrs Desley Scott MP, Member for Woodridge, on the Committee for the period between 9.00am and 1.00pm of the estimates hearing held on 17 July 2014. Mr Tim Mulherin MP, Member for Mackay, replaced Mrs Desley Scott MP, Member for Woodridge, on the Committee for the period between 2.00pm and 5.00pm of the estimates hearing held on 17 July 2014.

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 2014 for the Committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3. Minister for Transport and Main Roads

The Minister for Transport and Main Roads is responsible for the Department of Transport and Main Roads, its commercialised business unit RoadTek, and its statutory body the Gold Coast Waterways Authority.³

3.1 Department of Transport and Main Roads

The Department of Transport and Main Roads aims to “*plan, manage and deliver Queensland's integrated transport environment to achieve sustainable transport solutions for road, rail, air and sea.*”⁴ The Department of Transport and Main Roads four service areas map directly to its operational divisions and align with the business objectives in the *Transport and Main Roads Strategic Plan 2013-17*.⁵ The four service areas are:

- transport system investment planning and programming
- transport infrastructure management and delivery
- transport safety, regulation and customer service
- passenger transport services.⁶

In addition, the Department of Transport and Main Roads will administer funds on behalf of the Government which for 2014-15 will include:

- the State-wide driver licensing system
- marine licensing system and
- vehicle and vessel registration systems.⁷

The following table taken from the Appropriation Bill 2014 compares the appropriations for the Department of Transport and Main Roads for 2013-14 and 2014-15.

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	4,571,990	4,619,043
equity adjustment	1,141,580	1,683,438
<i>Administered Items</i>	78,037	..
Vote	5,791,607	6,302,481

Source: Appropriation Bill 2014, Schedule 2, p 11

In 2014-15, total capital purchases for the Transport and Main Roads portfolio⁸ are \$4.590 billion.⁹ The Department of Transport and Main Roads' budgeted capital purchases for 2014-15 total \$3.913 billion.¹⁰ The Department of Transport and Main Roads' capital purchases will primarily focus on critical investment in transport infrastructure that meets the current and future

³ State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, p 1

⁴ <http://www.tmr.qld.gov.au/About-us/Our-organisation/Organisational-structure.aspx> accessed 18 July 2014

⁵ State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, p 8

⁶ State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, p 1

⁷ State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, p 18

⁸ The portfolio includes the Department, Queensland Rail, Far North Queensland Ports Corporation Limited, Gladstone Ports Corporation Limited, North Queensland Bulk Ports Corporation Limited, Port of Townsville Limited, RoadTek and the Gold Coast Waterways Authority

⁹ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 98

¹⁰ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 98

needs of the growing Queensland population.¹¹ Capital works program highlights for the Department of Transport and Main Roads will include:

- \$374 million towards the construction of the Moreton Bay Rail Link
- \$177.3 million for the \$590 million duplication of the Bruce Highway (Cooroy to Curra)
- \$130 million towards the \$150 million capital recovery and reconstruction works program resulting from the natural disaster events throughout the State in early 2014
- \$80.4 million for the \$200 million Townsville Ring Road Stage 4 project
- \$50.6 million to continue the \$90.5 million project to upgrade the RG Tanna Coal Terminal at the Port of Gladstone
- \$41.1 million to widen a portion of the Centenary Highway to six lanes
- \$30.4 million for the \$1.606 billion Toowoomba Second Range Crossing project
- \$28.7 million for the \$159.2 million project to construct the third and fourth rail tracks between Lawton and Petrie
- \$25.5 million for the New Generation Rolling Stock project to construct a new maintenance facility and new rolling stock
- \$22.7 million to upgrade school bus fleets across Queensland
- \$14.8 million towards the development of cycle networks throughout Queensland
- \$12.1 million to demolish the existing Berth 6 and 7 to improve navigational access to the Port of Townsville's existing berths
- \$5 million to upgrade the breakwater at Mackay Port
- \$1.6 million to continue the \$22.1 million project to extend the boardwalk and foreshore promenade at the Port of Cairns.¹²

The following table shows a comparison of the budgets for 2013-14 and 2014-15 for the Department of Transport and Main Roads.¹³

Agency	2013-14 Adjusted \$'000	2014-15 \$'000
Department of Transport and Main Roads		
▪ <i>Controlled</i>	5,432,033	5,390,333
▪ <i>Administered</i>	2,122,576	2,232,617

Source: State Budget 2014-15, Service Delivery Statements – Department of Transport and Main Roads

Other 2014-15 budget highlights for the Department of Transport and Main Roads in addition to the capital works program include:

- commencing light rail passenger services on Stage 1 of the Gold Coast Rapid Transit project
- completing the transport planning strategies for the Commonwealth Games
- implementing public transport plans for the G20 Leaders Summit
- developing the Heavy Vehicle Action Plan as part of the implementation of the Moving Freight Strategy
- further enhancing motorcycle licensing to help novice riders develop critical riding skills under safe riding conditions
- reducing red tape for customers with the removal of registration labels.¹⁴

¹¹ State Budget 2014-15, Capital Statement – Budget Paper No. 3, pp 98, 99

¹² State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 98-102; State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, pp 19, 20

¹³ The table indicates the agency budget - it may not represent the actual appropriation

3.2 RoadTek

RoadTek is a commercial business within the Department of Transport and Main Roads that, together with local government and the private sector, delivers transport infrastructure contracts that comprise the Department of Transport and Main Roads capital and maintenance programs. RoadTek's range of services includes civil, structures, electrical and line marking, supported by an in house construction fleet. RoadTek's business is about:

- providing transport infrastructure in regional and remote areas of Queensland and infrastructure services to other State and local government agencies
- assisting in the delivery of the Queensland Transport and Roads Investment Program for the Department of Transport and Main Roads where private firms are unable to do so
- undertaking emergency response activities.¹⁵

The budget comparison for 2013-14 and 2014-15 for RoadTek is shown below.¹⁶

Agency	2013-14 Adjusted \$'000	2014-15 \$'000
RoadTek	547,890	481,423

Source: State Budget 2014-15, Service Delivery Statements – Department of Transport and Main Roads

RoadTek's priorities for 2014-15 are:

- demonstrate value for its customers
- deliver quality projects and transport solutions
- to embed the Zero Harm philosophy
- embed consistent processes for sole offer engagements (including cost benchmarking).¹⁷

3.3 Gold Coast Waterways Authority

The Gold Coast Waterways Authority was established on 1 December 2012 as provided for by the *Gold Coast Waterways Authority Act 2012*. The Authority's main function is to "...deliver the best possible management of Gold Coast waterways at reasonable cost to the community and Government, while minimising regulation".¹⁸ The Authority has released a 10-year Waterways Management Strategy 2014 – 2023, along with the supporting Waterways Management Program, which is a 1 + 3 year rolling investment plan to sustain, enhance and promote the waterways.¹⁹

The budget comparison for 2013-14 and 2014-15 for the Gold Coast Waterways Authority is shown below.²⁰

Agency	2013-14 Adjusted \$'000	2014-15 \$'000
Gold Coast Waterways Authority	8,395	9,581

Source: State Budget 2014-15, Service Delivery Statements – Department of Transport and Main Roads

¹⁴ State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, p 4

¹⁵ State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, p 36

¹⁶ The table indicates the agency budget - it may not represent the actual appropriation

¹⁷ State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, p 37

¹⁸ State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, p 54

¹⁹ State Budget 2014-15, Service Delivery Statements, Department of Transport and Main Roads, p 55

²⁰ The table indicates the agency budget - it may not represent the actual appropriation

Program highlights for 2014-15 include:

- \$4.3 million for improving access and safety by dredging navigation channels on Gold Coast waterways
- \$2 million to provide boating infrastructure including construction of boat ramps and pontoons at the Southport Broadwater Parklands, Tallebudgera Creek, Hollywell and the re-development of the Surfers Paradise riverfront
- \$1.4 million on infrastructure including the re-development of the Seaway Kiosk and Doug Jennings Park facilities and upgrades to the Gold Coast Seaway Sand Bypass System.²¹

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

Key issues raised by the Committee in relation to the Department of Transport and Main Roads included:

- variance between the Department of Transport and Main Roads 2013-14 allocated capital budget and actual expenditure
- status of the reconstruction work required for transport infrastructure affected by natural disaster events (state-controlled road network, rail network and ports)
- public transport patronage (budget target and transport savings achieved)
- registration cost for a four-, six-, eight-cylinder motor vehicle in 2015-16 (and past six years)
- credit card surcharge incurred when registering a vehicle, boat, caravan or trailer
- savings for families through a freeze on vehicle registration
- benefits for customers, including young drivers, with the introduction of the new Queensland driver's licence regime
- details of road safety improvements
- actions to ensure the safety of road workers and road users at roadwork sites
- list of schools which have benefitted from the Government's flashing school lights scheme
- 2014 Federal funding contributions for land transport infrastructure projects in Queensland
- priority Queensland Transport and Roads Investment Program projects: Bruce Highway upgrade north; Bus and Train tunnel project; and the Toowoomba second range crossing
- details of Queensland Transport and Roads Investment Program projects across Queensland (and compared to previous years)
- Federal-State contributions for the Ipswich Motorway upgrade between Darra and Rocklea
- State Planning Program Projects that did not meet, or are anticipated not to meet, their final deliverable milestone (June 2014)
- State-Federal contributions towards the Warrego Highway (Toowoomba-Miles) upgrade
- details of the Bus and Train tunnel project
- Toowoomba second range crossing project (industry interest, development of a business case by Projects Queensland, projected usage)
- status of the Townsville ring-road project
- Federal-State funding for projects to improve the Bruce Highway
- development of the Outback Way project
- status of the Gateway additional lane project (Sandgate Road and the Deagon deviation)
- adopting more cost-effective options to deliver transport infrastructure
- safety outcomes of the centre line treatment trial on the Bruce Highway

²¹ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 100

- heavy vehicle movements on roads such as Kessels Road interchange
- Translink's 'Make 9 GoCard journeys then travel free' policy
- provision of additional go-card top-up facilities
- roll-out of Translink's tertiary concession card
- development of freight policy and regulations in consultation with industry
- measures to prevent monopolisation of freight services
- Queensland Rail staffing levels
- recruitment process, including costs, for the position of Chief Executive Officer of Queensland Rail
- rail network services (frequency, reliability, affordability and safety)
- benefits of improved on-time running performance for south east Queensland commuters and a comparison of Queensland's performance against other jurisdictions in Australia
- staged upgrade of the North Coast line (Beerburrum-Landsborough rail duplication)
- estimated savings for the Moreton Bay Rail Link and the Lawnton-Petrie upgrade project
- details of the Springfield-Richlands line project (funding and community benefits)
- delivery of the New Generation Rolling stock project, including savings
- scope of works for the existing Citytrain rolling stock upgrades
- retirement strategy for ageing Citytrain rolling stock
- year-by-year breakdown of Citytrain services cancelled in 2011-12, 2012-13 and 2013-14
- implementation of dust suppression technologies to reduce dust emissions from coal trains
- universal access to train stations
- delivery of safety improvements at open level crossings and pedestrian crossings on the state-supported rail network
- details of each cycling infrastructure project
- two-year trial requiring motorists to give cyclists a minimum passing distance
- bus network services (frequency, reliability, affordability and safety)
- initiatives, including possible changes to road rules, to improve safety for motorcycle users
- better customer service interactions achieved
- improved customer satisfaction of payment processes and customer service practices experienced on Queensland toll ways
- strategies and measures to improve marine safety
- privatisation of the port and pilotage services
- divestment of infrastructure, such as the Port of Townsville
- measures to ensure vessels that access shipping routes through the Great Barrier Reef operate in a safe manner.

4. Minister for Housing and Public Works

The Minister for Housing and Public Works is responsible for the Department of Housing and Public Works, commercialised business units Building and Asset Services and QFleet, and the statutory bodies Queensland Building and Construction Commission, the Residential Tenancies Authority and Queensland Training Assets Management Authority.²²

4.1 Department of Housing and Public Works

The Department of Housing and Public Works leads the Government's capital works building program including building and maintaining public facilities, such as schools, public housing, hospitals, police stations and courthouses.²³ The Department of Housing and Public Works provides services to its customers through three broad service areas:

- housing services which coordinates and delivers a broad range of integrated housing support and services to Queenslanders most in need, including remote Indigenous communities and low income and high needs families
- building services which delivers the Government's office accommodation and employee housing, manages building and property initiatives and the building and plumbing laws in Queensland
- procurement services which leads implementation of the Procurement Transformation Program drives and supports a one-government procurement framework and provides specialist resources to work with agencies for the whole procurement lifecycle.²⁴

In addition, the Department of Housing and Public Works will administer funds on behalf of the Government which for 2014-15 will include:

- revenue from fees collected by Building Codes Queensland and fees for the accreditation of residential service units and retirement villages by Housing Services.²⁵

The following table taken from the Appropriation Bill 2014 compares the appropriations for the Department of Housing and Public Works for 2013-14 and 2014-15.

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	513,086	729,686
equity adjustment	167,920	67,017
<i>Administered Items</i>	8,570	3,452
Vote	689,576	800,155

Source: Appropriation Bill 2014, Schedule 2, p 8

²² State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, pp 1,2

²³ <http://www.hpw.qld.gov.au/aboutus/Pages/default.aspx>, accessed 18 July 2014

²⁴ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 9

²⁵ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 19

Total capital purchases for the Housing and Public Works portfolio, including its statutory bodies, for 2014-15 are \$264.7 million.²⁶ Budgeted capital purchase and capital grants expenditure for the Department of Housing and Public Works for 2014-15 are \$351 million. Capital works program highlights for the Department of Housing and Public Works include:

- \$159.7 million to commence, complete, purchase and upgrade social housing units
- \$62.1 million for social housing in Indigenous communities funded through the National Partnership Agreement on Remote Indigenous Housing to complete construction of up to 152 rental units
- \$4.8 million to complete construction in Redcliffe and upgrade existing infrastructure in Townsville and Cairns to provide specialist supported accommodation for rough sleepers
- \$6.9 million for government employee housing to provide at least 10 units of accommodation to support the delivery of government services at Thursday Island
- \$3.1 million to provide equitable access and facilities to Government House.²⁷

The budget comparison for 2013-14 and 2014-15 for the Department of Housing and Public Works is shown below.²⁸

Agency	2013-14 \$'000	2014-15 \$'000
Department of Housing and Public Works	1,725,960	1,854,602
▪ <i>Controlled</i>		
▪ <i>Administered</i>	8,693	3,575

Source: State Budget 2014-15, Service Delivery Statements – Department of Housing and Public Works

Other 2014-15 budget highlights for the Department of Housing and Public Works in addition to the capital works program include:

- continue to deliver housing assistance through the development of regional plans, partnering with the non-government and community services sector, leading the whole-of-Government Housing 2020 and the Homelessness-to-Housing Strategy 2020, facilitating home ownership opportunities for people living in Indigenous communities and reforming tenancy arrangements including the renewal of rent policy, addressing overcrowding and increasing the number of dwellings in Indigenous communities
- assessing approximately 200 National Regulatory System community housing provider applications for registration, and contributing to the development of policies to support the growth of a strong and resilient non-government housing sector and support a nationally consistent approach to regulation
- progressing amendments to the *Retirement Villages Act 1999*
- releasing a Consultation Regulatory Impact Statement identifying reforms to the *Manufactured Homes (Residential Parks) Act 2003*
- transferring the pool safety and plumbing and drainage licensing functions from Building Codes Queensland to the Queensland Building and Construction Commission
- reducing the Brisbane central business district office portfolio by 7,800 square metres through vacating expiring leases, resulting in an annualised rental saving of approximately \$8.9 million

²⁶ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 64

²⁷ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 64

²⁸ The table indicates the agency budget - it may not represent the actual appropriation

- implementing a new procurement operating framework and strategic sourcing and demand management strategies under Waves 2 and 3 of the Procurement Transformation Program
- establishing the Queensland Training Assets Management Authority.²⁹

4.2 Building and Asset Services

QBuild and Project Services amalgamated to form Building and Asset Services on 1 July 2013. Building and Asset Services delivers coordinated procurement and contract management of building services by providing value for money to Queensland Government agencies. Building and Asset Services will assist Government agencies to manage risks associated with the ownership and operation of their asset portfolios, as well as the risks associated with the planning, procurement and delivery of new building infrastructure.³⁰

The budget comparison for 2013-14 and 2014-15 for Building and Asset Services is shown below.³¹

Agency	2013-14 \$'000	2014-15 \$'000
Building and Asset Services	692,160	736,330

Source: State Budget 2014-15, Service Delivery Statements – Department of Housing and Public Works

Program highlights for 2014-15 include:

- deliver savings by aggregating work to achieve economies of scale prior to contracting with the private sector
- deliver a pilot program in category management in the area of service maintenance
- maintain a rapid response capacity to support disaster recover, urgent after-hours repairs, asbestos issues and vandalism impacting State Government facilities
- provide procurement management of major hospital projects
- provide procurement, project management, quantity surveying and contract administration for much of the Department of Education, Training and Employment's ongoing Transition of Year 7 into High School
- delivering the necessary training to apprentices through implementing outsource arrangements or through internal development.³²

4.3 QFleet

QFleet manages a fleet of approximately 10,441 vehicles throughout the State. Its services include vehicle procurement and contract management, fleet advisory services to public sector departments as well as government-funded organisations, in-service maintenance, accident management, end of life repairs and vehicle remarketing. QFleet is also responsible for whole-of-Government fleet policy development and implementation.³³

²⁹ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, pp 3,4

³⁰ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 42

³¹ The table indicates the agency budget - it may not represent the actual appropriation

³² State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, pp 42, 43

³³ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 58

The budget comparison for 2013-14 and 2014-15 for QFleet is shown below.³⁴

Agency	2013-14 \$'000	2014-15 \$'000
QFleet	133,405	141,166

Source: State Budget 2014-15, Service Delivery Statements – Department of Housing and Public Works

Program highlights for 2014-15 include:

- finalise a review of the vehicle fleet and relevant services to make recommendations to government about the best approach for future delivery
- continue to work with semi-government organisations to identify procurement opportunities through contract access
- manage a vehicle fleet of more than 10,000 vehicles.³⁵

4.4 Queensland Building Services Authority

The Queensland Building Services Authority was a statutory body established under the *Queensland Building Services Authority Act 1991*. The Queensland Building Services Authority provided a comprehensive licensing regime for the building industry and performs regulatory functions under the Act including compliance activities, complaints management, administration of the Queensland Home Warranty Scheme, and the provision of consumer and contractor education. The Queensland Building Services Authority also administered the *Building and Construction Industry Payments Act 2004*, the *Subcontractors' Charges Act 1974* and the *Domestic Building Contracts Act 2000*.³⁶

The Queensland Building Services Authority ceased operations on 30 November 2013, and its functions were transitioned to the new statutory body, the Queensland Building and Construction Commission.

The budget comparison for 2013-14 and 2014-15 for the Queensland Building Services Authority is shown below.³⁷

Agency	2013-14 \$'000	2014-15 \$'000
Queensland Building Services Authority	155,363	..

Source: State Budget 2014-15, Service Delivery Statements – Department of Housing and Public Works

4.5 Queensland Building and Construction Commission

The Queensland Building and Construction Commission is a statutory body established on 1 December 2013, under the *Queensland Building and Construction Commission Act 1991*. The Queensland Building and Construction Commission replaces the former Queensland Building Services Authority which ceased operations on 30 November 2013.

³⁴ The table indicates the agency budget - it may not represent the actual appropriation

³⁵ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 58

³⁶ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 82

³⁷ The table indicates the agency budget - it may not represent the actual appropriation

The Queensland Building and Construction Commission provides a comprehensive building industry licensing regime, performs regulatory functions under the Act including compliance activities, complaints management, administration of the Queensland Home Warranty Scheme and provision of consumer and contractor education. The Queensland Building and Construction Commission also administers the *Building and Construction Industry Payments Act 2004*, the *Subcontractors' Charges Act 1974* and the *Domestic Building Contracts Act 2000*. The Queensland Building and Construction Commission regulates the building and construction industry to ensure the maintenance of proper building standards, providing remedies for defective building work, and promoting contractor and consumer confidence in the industry.³⁸

The budget comparison for 2013-14 and 2014-15 for the Queensland Building and Construction Commission is shown below.³⁹

Agency	2013-14 \$'000	2014-15 \$'000
Queensland Building and Construction Commission	..	187,164

Source: State Budget 2014-15, Service Delivery Statements – Department of Housing and Public Works

Program highlights for 2014-15 include:

- revitalising online and front line services to deliver a high-quality customer service
- improving the customer experience to reduce risk during the contract phase of construction which will help to keep the cost of building affordable
- reducing timeframes to resolve building disputes by implementing an early dispute resolution service and a formal internal review mechanism for administrative decisions thereby providing both partners to a contract with a less costly, more efficient option
- improving the certification framework in Queensland to increase community confidence in the quality of construction
- improving transparency by developing a suite of clauses to be included in all domestic building contracts so that they are fair to all parties; publishing a Guide to Standards and Tolerances handbook; and finalising the review of the Queensland Home Warranty Scheme
- transferring the plumbing, drainage and pool inspection licensing to the Queensland Building and Construction Commission from the Department of Housing and Public Works, thereby moving to a 'one stop shop' and reducing the number of licences required, increasing industry compliance through a more focussed and proactive enforcement regime
- implementing a system of continuing professional development for licensees
- reducing licensing timeframes and the financial and legislative burden for contractors.⁴⁰

4.6 Residential Tenancies Authority

The Residential Tenancies Authority is constituted under the *Residential Tenancies and Rooming Accommodation Act 2008* which regulates the residential rental sector in Queensland. The Residential Tenancies Authority is self-funded from the earnings on the investment of rental bonds lodged with the organisation. The Residential Tenancies Authority assists tenants, lessors,

³⁸ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 88

³⁹ The table indicates the agency budget - it may not represent the actual appropriation

⁴⁰ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 89

agents, residents and accommodation providers in houses, flats, caravans and rooming accommodation.⁴¹

The budget comparison for 2013-14 and 2014-15 for the Residential Tenancies Authority is shown below.⁴²

Agency	2013-14 \$'000	2014-15 \$'000
Residential Tenancies Authority	35,359	37,742

Source: State Budget 2014-15, Service Delivery Statements – Department of Housing and Public Works

Program highlights for 2014-15 include:

- progress a program of work aimed at improving online services including a planned 24/7 service delivery model for rental bond lodgement
- enhance business systems and processes that support a growing residential tenancy sector
- plan for the introduction of social housing rental bonds.⁴³

4.7 Queensland Training Assets Management Authority

The Queensland Training Assets Management Authority is a statutory body to commence 1 July 2014, established under the *Queensland Training Assets Management Authority Act 2014*. The Queensland Training Assets Management Authority strategic objective is to effectively and efficiently manage the body's training assets, primarily for the provision of vocational education and training, in accordance with sound commercial principles.⁴⁴

The budget comparison for 2013-14 and 2014-15 for the Queensland Training Assets Management Authority is shown below.⁴⁵

Agency	2013-14 \$'000	2014-15 \$'000
Queensland Training Assets Management Authority	..	69,731

Source: State Budget 2014-15, Service Delivery Statements – Department of Housing and Public Works

Program highlights for 2014-15 include:

- establish the Queensland Training Assets Management Authority management structure including statutory and non-statutory governance and compliance systems
- identify all assets transferring to the Queensland Training Assets Management Authority on 1 July 2014
- assess the condition of the Queensland Training Assets Management Authority's training assets and value Queensland Training Assets Management Authority's training plant and equipment

⁴¹ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 96

⁴² The table indicates the agency budget - it may not represent the actual appropriation

⁴³ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 96

⁴⁴ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 104

⁴⁵ The table indicates the agency budget - it may not represent the actual appropriation

- determine the utilisation of Queensland Training Assets Management Authority's assets and understand the allocated risk profile
- market the under-utilised assets in Queensland Training Assets Management Authority's portfolio to training organisations
- complete the first and second asset management plans required under sections 38 and 39 of the *Queensland Training Assets Management Authority Act 2014*.⁴⁶

4.8 Key issues raised at the public hearing – Department of Housing and Public Works

Key issues raised by the Committee in relation to the Department of Housing and Public Works included:

- new initiatives and efficiencies of the Department of Housing and Public Works
- the Residential Tenancies Authority (breakdown of interest earned on rental bonds, how this interest was distributed as grants, including which groups received funding)
- Number of staff located at each of the housing service centres across Queensland (breakdown of staff by classification level, of dwellings and dwelling type, and breakdown of sales)
- Breakdown of constructions of public and/or social housing dwellings underway or completed by state electorate
- transfer of the tenancy and property management to the community housing sector (Logan Renewal Initiative)
- tackling anti-social behaviour by tenants in public housing (three-strikes policy)
- addressing under occupancy rate in social housing properties
- calculation of social housing tenants rent
- implementation of Housing 2020 Strategy initiatives
- Homelessness-to-Housing Strategy 2020 (Street-to-Home program, Home-for-Good program)
- Housing Assistance Triage System (Gold Coast trial)
- reforms to the *Housing Act 2003*
- social and affordable housing portfolio (construction and development projects)
- initiatives to reduce the public housing waiting list (RentConnect program, National Rental Affordability Scheme)
- notice given to potential tenants on the public housing waiting list (time, response)
- changes to the temporary absence from tenancies policy (length of time, reasons)
- number of households evicted from government-owned and managed social rental housing (by state electorate and reason for eviction)
- development of regional plans to assess housing and housing support services across the State (social housing, affordable housing, specialised homelessness services and other housing assistance)
- Review of the *Manufactured Homes (Residential Parks) Act 2003*
- Details of the new housing in remote Indigenous communities as part of the National Partnership Agreement on Remote Indigenous Housing
- the National Regulatory System for Community Housing

⁴⁶ State Budget 2014-15, Service Delivery Statements, Department of Housing and Public Works, p 105

- number of Government Employee Housing managed by the Department of Housing and Public Works (breakdown by region, agency, vacancy)
- 2013–14 and 2014–15 maintenance and upgrades budgets for the Social Housing Program and the Remote Indigenous Housing Program
- amalgamation of QBuild and Project Services and the new Building and Asset Services
- Building and Asset Services staffing levels
- options between Building and Asset Services or private contractor for school maintenance
- tackling the backlog of maintenance through the Advancing Our Schools Maintenance program
- strategies to engage local suppliers in the tender process for Government work in remote and regional communities
- the new Queensland Building and Construction Commission (rebranding expenditure, expected benefits for consumers, customer satisfaction rate)
- dispute resolution process improvements (*Standards and Tolerances Guide*)
- expenditure, by action plan number for each of the 10-point action plan to reform the Queensland Building Services Authority (project, anticipated external contractor and consultant)
- details of the Queensland Building and Construction Commissioner’s recruitment process and remuneration package
- claims finalised and their value approved under the Queensland Home Warranty Scheme (2013-14 and 2014-15)
- details of the process and technology work stream project; Program One project; and iSPACE project (Stage 3 – phase 2)
- details of the Procurement Transformation Program (One-Government approach to procurement)
- upcoming ConstructionQ forum
- benefits of the newly created Queensland Training Assets Management Authority
- list of all training assets that have been transferred or will be transferred to the Queensland Training Assets Management Authority and total value of those assets
- expected benefits for subcontractors with the proposed changes to the *Building and Construction Industry Payments Act*
- benefits for industry and consumers with the transferring of plumbing, drainage and pool inspection licensing to the Queensland Building and Construction Commission from the Department of Housing and Public Works
- expected savings with the implementation of the Government Office Accommodation Strategy.

5. Minister for Local Government, Community Recovery and Resilience

The Minister for Local Government, Community Recovery and Resilience is responsible for administration of local government legislation and has responsibility for coordinating programs to build Queensland communities' preparedness for and resilience to natural disasters.⁴⁷

The portfolio responsibilities of the Minister for Local Government, Community Recovery and Resilience include oversight of the Queensland Reconstruction Authority.

5.1 Department of Local Government, Community Recovery and Resilience

The Department of Local Government, Community Recovery and Resilience will continue to support the autonomy and accountability of councils and to lead the implementation of key resilience projects in partnership with councils, government and other agencies.⁴⁸

The Department of Local Government, Community Recovery and Resilience have two service areas:

- local government – to be delivered through program implementation and review including capacity building, support for local government financial sustainability, administration of the Local Government Grants and Subsidies Program and the network of regional offices in the Department's northern and southern regions
- community recovery and resilience – to be delivered through the Department of Local Government, Community Recovery and Resilience Strategy's Governance and Resilience Division and in collaboration with other State agencies closely involved in natural disaster recovery and resilience initiatives.⁴⁹

In addition, the Department of Local Government, Community Recovery and Resilience will administer funds on behalf of the State which for 2014-15 will include:

- Queensland Reconstruction Authority – the Department of Local Government, Community Recovery and Resilience administers funding to the Queensland Reconstruction Authority of \$3.6 billion in 2013-14 and an estimated \$1.8 billion projected for 2014-15
- Australian Government Financial Assistance Grants – under the *Local Government (Financial Assistance) Act 1995* the Australian Government provides grant funding to support Queensland councils in delivering services to their communities
- Australian Government National Insurance Affordability initiative – Ipswich and Roma
- Kuranda Rail Levy
- Kuranda Skyrail Levy.⁵⁰

⁴⁷ State Budget 2014-15, Service Delivery Statements, Department of Local Government, Community Recovery and Resilience, p 2

⁴⁸ State Budget 2014-15, Service Delivery Statements, Department of Local Government, Community Recovery and Resilience, p 2

⁴⁹ State Budget 2014-15, Service Delivery Statements, Department of Local Government, Community Recovery and Resilience, p 2

⁵⁰ State Budget 2014-15, Service Delivery Statements, Department of Local Government, Community Recovery and Resilience, p 12

The following table taken from the Appropriation Bill 2014 compares the appropriations for the Department of Local Government, Community Recovery and Resilience for 2013-14 and 2014-15.

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	176,348	175,864
equity adjustment	21,220	7,285
<i>Administered Items</i>	4,339,224	2,297,172
Vote	4,536,792	2,480,321

Source: Appropriation Bill 2014, Schedule 2, p 9

Total capital purchases for the Local Government, Community Recovery and Resilience portfolio for 2014-15 are \$8.4 million. In addition, in 2014-15, \$104.3 million is being provided as capital grants to local government authorities to undertake recovery and reconstruction projects.⁵¹

The budget comparison for 2014-15 and 2014-15 for the Department of Local Government, Community Recovery and Resilience is shown below.⁵²

Agency	2013-14 \$'000	2014-15 \$'000
Department of Local Government, Community Recovery and Resilience		
▪ <i>Controlled</i>	235,980	207,549
▪ <i>Administered</i>	4,563,596	2,751,216

Source: State Budget 2014-15, Service Delivery Statements – Department of Local Government, Community Recovery and Resilience

Program highlights for 2014-15 include:

- \$41.8 million for the Local Government Grants and Subsidies Program
- \$28.4 million distributed under the Royalties for the Regions program
- \$19.1 million for the Natural Disaster Resilience Program
- \$8.4 million for the Indigenous State Infrastructure Program.⁵³

Other 2014-15 budget highlights for the Department of Local Government, Community Recovery and Resilience in addition to the capital works program include:

- provide and administer a strategic policy and legislative framework for local government, including reform of the *Local Government (Electoral) Act 2011*
- highlight financial sustainability issues of local governments to key Government decision makers and to councils and provide support through education and training activities
- co-deliver the Diploma of Local Government Administration program with the Local Government Association of Queensland
- oversee the implementation of the Queensland Strategy for Disaster Resilience

⁵¹ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 74

⁵² The table indicates the agency budget - it may not represent the actual appropriation

⁵³ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 74

- deliver the annual Get Ready Queensland disaster preparedness and resilience campaign
- develop and maintain comprehensive online resources to promote understanding of local government legislation
- monitor local government performance and corporate governance to determine appropriate capacity building and intervention strategies, foster strong working relationship with councils
- manage governance frameworks to oversee and coordinate recovery and resilience activities undertaken by Government agencies.⁵⁴

5.2 Queensland Reconstruction Authority

The Queensland Reconstruction Authority was established under the *Queensland Reconstruction Authority Act 2011* following the natural disaster events which struck Queensland in 2010-11. The Queensland Reconstruction Authority's role has been extended by the *Queensland Reconstruction Authority Amendment Act 2013* and now includes historical disaster events from 2009 through to current natural disaster activations.

The Queensland Reconstruction Authority manages and coordinates the Government's program of infrastructure reconstruction within disaster affected communities. The Queensland Reconstruction Authority's role focuses on working with state and local government partners to deliver value for money, and best practice expenditure and acquittal of public reconstruction funds.⁵⁵

The Department of Local Government, Community Recovery and Resilience administers funding to the Queensland Reconstruction Authority of \$3.6 billion in 2013-14 and an estimated \$1.8 billion projected for 2014-15.⁵⁶

The budget comparison for 2013-14 and 2014-15 for the Queensland Reconstruction Authority is shown below.⁵⁷

Agency	2013-14 Adjusted \$'000	2014-15 \$'000
Queensland Reconstruction Authority	4,142,774	1,851,828

Source: State Budget 2014-15, Service Delivery Statements – Department of Local Government, Community Recovery and Resilience.

In 2014-15, \$950 million⁵⁸ is being provided to local government authorities to undertake recovery, reconstruction and betterment projects following Tropical Cyclone Oswald and other recovery and reconstruction projects relating to natural disaster events from 2011 to 2014.⁵⁹

Other 2014-15 budget highlights for the Queensland Reconstruction Authority in addition to the capital works program include:

⁵⁴ State Budget 2014-15, Service Delivery Statements, Department of Local Government, Community Recovery and Resilience, p 2

⁵⁵ State Budget 2013-14, Service Delivery Statements, Department of Local Government, Community Recovery and Resilience, p 26

⁵⁶ State Budget 2014-15, Service Delivery Statements, Department of Local Government, Community Recovery and Resilience, p 12

⁵⁷ The table indicates the agency budget - it may not represent the actual appropriation

⁵⁸ Note: This is funded up to 75 per cent by the Australian Government (under the Natural Disaster Relief and Recovery Arrangements) with the remainder funded by the State Government.

⁵⁹ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 74

- continue to actively manage and resource State-wide Natural Disaster Relief and Recovery Arrangement reconstruction works and report on their progress
- acquit Natural Disaster Relief and Recovery Arrangement claims with the Australian Government
- monitor progress and expenditure of the Australian and Queensland Governments' Betterment funding so councils can build more resilient public infrastructure
- continue damage assessment operations to capture and monitor progress of reconstruction in natural disaster affected areas across the State
- continue to operate a Regional Liaison Officer network to engage with reconstruction delivery agents across the State, providing principal points of contact for each effected region.⁶⁰

5.3 Key issues raised at the public hearing – Department of Local Government, Community Recovery and Resilience

Key issues raised by the Committee in relation to the Department of Local Government, Community Recovery and Resilience included:

- preparedness of the Queensland Reconstruction Authority to respond to natural disaster events based on lessons learnt from the 2011 and 2012 disaster events
- role of the Queensland Reconstruction Authority post June 2015
- disaster mitigation and resilience funding through the Royalties for Regions program, the Local Government Floods Response Subsidy, and the Natural Resilience Program
- further details on specific local government grants and subsidies flood projects (the River Road upgrade stage 1, Boulia racecourse flood levy, the Roma and St George levees, the Gin Gin public pool expansion)
- details of the recovery work undertaken since Tropical Cyclone Oswald, in general
- list of projects funded under the local government grants and subsidies program approved since 24 March 2012 (Infrastructure Subsidy, Flood Subsidy)
- list of projects funded under the Natural Disaster Resilience program approved since 24 March 2012
- list of all the Show Society Grants approved since March 2012
- list of projects funded under the Betterment Fund approved since 24 March 2012 (with further detail on the Gayndah Mundubbera Road project)
- list of projects funded under various flood mitigation programs approved since 24 March 2012
- raising of the Jericho levee and the lowering of the Redbank access under the Natural Disaster Resilience Program
- details of the Get Ready campaign
- status of reconstruction work tasks under the 2013 Flood Recovery Plan
- Federal government funding under the Natural Disaster Relief and Recovery Arrangements
- expected fiscal impact on Queenslanders if the National Commission of Audit's recommendation that the Federal Government reduce its contribution under the Natural Disaster Relief and Recovery Arrangements is implemented
- impact of flood mitigation measures on insurance premiums

⁶⁰ State Budget 2014-15, Service Delivery Statements, Department of Local Government, Community Recovery and Resilience, p 27

- disaster management mitigation (dedicated power supply for local councils)
- Partners in Government Agreement with the Local Government Association of Queensland
- return of savings to ratepayers with the abolishment of the Carbon Tax
- local government reform program
- actions undertaken to strengthen corruption prevention at the local level
- amendment of the *Local Government Act 2009* to remove the requirement for councillors to resign if they run for state parliament
- outcomes of the regional Roundtable in Townsville
- red tape reduction via the new *Local Government Act 2009* and the *City of Brisbane Act 2010*
- proposed changes to the *Local Government Electoral Act 2009*
- education and training programs to assist councillors with their responsibilities
- education and training programs in relation to capacity building in Indigenous councils.
- local council debt levels: Brisbane City Council (and in general) and any concerns for financial viability
- generating business activities for local governments to create their own-source revenue opportunities, in particular Indigenous councils
- CitySafe CCTV system migration to digital and the CCTV expansion under the local government grants and subsidies infrastructure program.

Transport Housing and Local Government Committee - Estimates Hearings 2014
Statement of Reservation

This statement of reservation is submitted by the Member for Woodridge and Deputy Chairperson of the Transport, Housing and Local Government Committee, Mrs Desley Scott MP, on behalf of the Queensland Labor Opposition.

THE HON. SCOTT EMERSON MP
MINISTER FOR TRANSPORT AND MAIN ROADS

Consistent with his answers to questions at estimates in hearings in previous years, Minister Emerson has again demonstrated a willingness to rely on inaccurate and misleading figures in order to create an impression of success in his portfolio. Despite being in office for more than two years the Minister sought to blame any failures on the previous Government and claim every success as his own. Queenslanders expect and deserve better from their Government and its Ministers.

Public Transport

The Newman Government's strategies have failed to lift patronage on the public transport network. The Minister consistently maintains that the opposite is the case, in spite of any and all evidence presented to him. When the Government came to office there were 178.3m trips on the south east Queensland public transport network. There were 176.7m trips made in 2013-14. That represents a reduction of 1.5 million trips. Despite population growth over the past two years, despite the opening of the Northern Busway and the Springfield Line, and despite more train services, the Newman Government has actually presided over a decrease in patronage. Contrary to this evidence, the Minister continues to claim patronage is increasing under his watch.

It was further revealed that the patronage figures presented in the budget incorrectly included 300,000 trips made in the 2013-14 year on the Gold Coast Light Rail network, which was not opened until 20 July 2014. The fact that these 300,000 trips were counted in official figures, despite never having been taken, calls into question the veracity and accuracy of other figures presented in the budget papers. The Minister should have corrected the record at the earliest available opportunity when he became aware that the light rail would not be operational before 30 June 2014 and that the trips counted in the budget papers would not be taken. That he did not do so and only addressed the matter once it was raised by the Opposition reflects poorly on the Government's supposed commitment to transparency and accountability.

The Opposition also questioned the Minister about his deliberate refusal to provide answers to legitimate questions surrounding the actual cost of the Government's policy of free travel after nine journeys in a week on the TransLink network. In his answer to Question on Notice 211 of 2013 the Minister provided foregone revenue figures for trips made under the policy. However, in his answer to Question on Notice 355 of 2014 and again in his answer to Estimates Question on Notice 17 it was claimed that foregone revenue figures could not be provided. Under

questioning the Minister again refused to provide the figures that he had previously been able to provide. It is not difficult to ascertain the true reason for the Minister's refusal to provide the requested figures; if revealed the foregone revenue figures would undoubtedly show that the Government had seriously underestimated the cost of their policy and that it was costing considerably more than was budgeted.

The Opposition questioned the Minister about the ongoing impact of cuts that were made to bus services by the Government in south east Queensland. The Minister's response did not evince any concern or empathy for those people who were disadvantaged by the cuts made to bus services. It is noted that the Minister did not commit to reinstating any of the services that had been cut.

The Opposition remains concerned that despite protestations to the contrary from the Minister, the Government is in fact releasing less and less information that will allow for proper scrutiny of the performance of the public transport network. The Passenger Load Survey once conducted by Queensland Rail is now no longer publicly released. This report provided the only opportunity to measure passenger movements and overcrowding on the rail network. That data is now either not captured or is not released publicly.

Queensland Rail

It was revealed that more than 617 jobs had been lost at Queensland Rail in the past year alone. This is despite the Premier promising there would be no further job cuts in December 2012. Since coming to office 1,439 jobs have been cut from Queensland Rail, representing a reduction of almost twenty per cent of its entire workforce. When added to the job loss figures in the Department of Transport and Main Roads and in Roadtek, Minister Emerson has personally overseen almost three thousand job cuts in agencies under his control (approximately 2,970). This was despite promising people in March 2012 that they had nothing to fear from an incoming LNP Government. The ongoing deep and savage job cuts across the public sector in Queensland are proof that the Government continually says one thing and does the exact opposite.

It was further revealed that it has cost Queensland Rail more than \$254,000 in recruitment costs to find a replacement CEO since 2013. Given that since last year's estimates hearings three people have held the CEO position at Queensland Rail this is an astonishing amount of money to have spent and to have still not yet settled on a permanent long term replacement. The current CEO's appointment ends in April 2015 and there is every possibility that another replacement candidate will be sought at that time.

Queensland Rail's Capital budget for 2013-14 was \$797m. Yet according to the budget papers the agency managed to expend only \$384m of that. That is an underspend of the Queensland Rail Capital Budget of more than half.

Transport Infrastructure

With respect to roads funding and construction, it is evident that the current Queensland Government is attempting to claim projects that were funded by the

Federal Labor Government as its own. This is disappointing because after more than a decade of chronic underfunding for Queensland Roads by the Howard Government, including in particular the Bruce Highway, the former Federal Labor Government made a conscious and deliberate decision to invest in transport infrastructure in order to catch up with demand after more than a decade of neglect.

This year the Government will spend approximately \$1bn less on the state transport network in 2014-15 compared with last year. Even if NDRRA funding is excluded there is still a real cut of \$180m in roads funding for the state network. Last year's total Capital purchases budget for the Department, including grants, was \$5.6 Billion. This year's total capital budget including grants is only \$4.59bn, a reduction of more than \$1bn. The Department has also demonstrated that it is unable to spend the budget that it has been given. TMR capital purchases for 2013-14 were supposed to be \$4.38bn. Comparing that with this year's capital statement, only \$4.018bn was expended. That represents a capital underspend of more than \$360m last financial year.

There are a number of issues with new infrastructure projects that are being proposed by this Government and these were raised by the Opposition at the estimates hearing. With respect to the Toowoomba Second Range Crossing, the new road will be tolled but there is no clarity at all surrounding the toll price for motorists, which vehicles will be charged and how long the toll will need to be in place. Given that the Government has assumed the full financial risk for the project there are legitimate questions still to be asked answered regarding this project. It would be disappointing if either the Federal or State Governments reduced their financial contribution at all and allowed that funding shortfall to be met through a toll.

In relation to the Bus and Train Tunnel (BAT), the Minister confirmed that there are no plans to allow for a new station to be built at Park Road. This is just one of the shortcomings of the Government's design for this project. The example of the proposed demolition of Dutton Park Station is illustrative of the fact that this project has been designed in excessive haste and that political considerations have informed decision making on the project, rather than good planning. BAT stations have only been designed to accommodate seven car trains instead of nine car trains as per the Cross River Rail plan corridor land that had been acquired is now being sold off.

The Minister also refused to detail or itemise the money saved on the Moreton Bay Rail Link project. The Opposition remains concerned that funding has been removed at such an early stage in construction and will not allow any contingency should problems be encountered during construction.

Summary

In conclusion, the Minister's answers showed a general propensity to shift blame rather than accept responsibility for the decisions and outcomes delivered in his portfolio. Legitimate requests for information were refused for political reasons and the Opposition holds serious concerns that the Government's rhetoric in the Transport and Main Roads portfolio is not being matched by the results delivered.

THE HON. TIM MANDER MP
MINISTER FOR HOUSING AND PUBLIC WORKS

Housing

It is disappointing that the second Minister for Housing and Public Works in the first term of the Newman LNP government has not learnt from the mistakes of his predecessor, the Member for Moggill and has continued to wage war on public housing tenants, spreading fear amongst some of our most marginalised members of our community.

It is disappointing that while the Minister is championing his target of transferring 90% of the public housing management to the non-government sector, his Director-General, Mr Castles is not prepared to release the modelling which was undertaken by Queensland Treasury Corporation which allegedly supports the government's claims that outsourcing the bulk of the public housing has an overall benefit.

The Newman LNP government, through the Minister for Housing and Public Works, continues to claim that it has dramatically reduced the public housing waiting list, but this claim does not automatically result in more individuals being housed. What this means, and what was confirmed, was that this government is cleansing the public housing waiting list. It is finding every possible avenue to kick people off the public housing waiting list, even though the individual may still require the assistance of public housing, but for example failed to respond to a piece of correspondence.

The Minister indicated that his department is now taking into consideration a wider range of assessable income, including allowances paid by Centrelink, however, no list of assessable income sources was made available during the public Estimates hearing. Does this mean that a one-off education payment to assist students who are learning will be taken into consideration as assessable income or a WorkCover compensation claim will be classed as assessable income?

The Minister has continued to wage war on public housing tenants, by introducing a new temporary absence policy, which means public housing tenants, can only be away from their property for a maximum of four weeks, unless they have special circumstances. While the Labor Opposition agrees that people who go overseas or on holidays for months at a time should have their public housing situation reviewed, this policy, on the whole, is further victimising public housing tenants, by equating them to employees of the department who are provided four weeks leave a year, rather than individuals who require assistance.

There was no consultation with public housing tenants prior to its implementation and the Minister clearly does not understand the need of public housing tenants, especially when he stated: *"if you want to have more flexibility with regards to your leave and that type of thing, you are more than welcome to go out into the private rental market and do whatever you want"*. The Minister stated during the Estimates hearing that *"working with people on the margins of society is something that I have been passionate about for many, many years"*, however his actions in the public housing space tell a vastly different story.

Public Works

The Minister refused to acknowledge that 237 staff would be sacked from Building and Asset Services and claimed that staff could not wait to leave their jobs and go to work in the private sector. Since the Government came to office more than 2000 jobs have been cut from QBuild and Project Services which have now merged to form Building and Asset Services. As the Minister noted more and more work is being outsourced to the private sector instead of being done by Building and Asset Services.

The Minister displayed a worrying ignorance of problem IT projects that are being delivered by his Department. He was unable to answer questions about the 'Process and Technology Work Stream' Project which is rated as amber for both timeframe and cost, meaning that it is anticipated that it will exceed tolerances for both of those measures. The project budget has blown out by more than \$1.67m or 100% to \$3.3m. Additionally, the 'Program One' Project which is supposed to reduce the number of operating environments by delivering 1 managed operating environment image across all desktops within the department has had a budget blowout of almost \$4m from \$9.5m to \$13.4m.

In many cases the Departmental Staff were also unable to answer questions relating to IT projects. This does not bode well for the future delivery of projects by this Department. The Minister must accept responsibility for the success or failure of IT projects that are being delivered by his Department.

The Minister took an excessive number of questions relating to the Queensland Building and Construction Commission on notice and was unable to provide answers. It is disappointing that the Minister did not seem able to answer those questions as they related to the impacts of reforms that he had initiated.

THE HON. DAVID CRISAFULLI MP MINISTER FOR LOCAL GOVERNMENT, COMMUNITY RECOVERY AND RESILIENCE

Commonwealth Funding of Natural Disasters

The National Commission of Audit suggested that the Commonwealth Government consider retreating from its commitment of providing 75% of National Disaster Relief Funding.

The Minister was asked during the estimates hearing about how the state could deal with any reduction of funding from the Commonwealth Government in this matter. The Minister clearly stated that the state could not.

The Queensland Opposition strongly believes that the Commonwealth Government should maintain its current 75% funding share of National Disaster Relief Funding given the Commonwealth's superior taxation powers.

The Queensland Opposition urges the Minister to convey to his federal colleagues the dire consequences that would follow if the Commonwealth Government retreated

from its present commitment of providing 75% of National Disaster Relief Funding and to lobby for the retention of the 75% funding share by the Commonwealth.

Queensland Reconstruction Authority

Questions were put to the Minister during the estimates hearing about the future of management of Natural Disaster Recovery and Relief Arrangement works given that the Queensland Reconstruction Authority is due to be wound up at the end of the 2014-15 financial year.

The Minister advised that he was open minded about the continuance of the Queensland Reconstruction Authority after the end of the 2014-15 financial year but did not advise of any details as to the structure of the government authority or department that would continue to the work of the QRA post-30 June 2015.

While the Minister may believe that Queenslanders are unconcerned about how Natural Disaster Recovery and Relief Arrangement works are delivered, Queenslanders do want certainty that they are delivered. Particularly, Local Government wants certainty in terms which government department or authority they must deal with in relation to these matters.

The Queensland Opposition strongly urges the Minister to publically announce the arrangements on governmental structure that will continue to work of the QRA post 30 June 2015 as soon as possible to provide certainty for Queenslanders.

Brisbane City Council Debt

The Minister was asked several questions about the debt load of the Brisbane City Council at the estimates hearing. The net debt to revenue ratio of the Brisbane City Council is 67.1% for 2014-15 compared to 21.8% for the Queensland Government.

The Minister, like all of his fellow Ministerial colleagues has repeatedly cited the debt position of the Queensland Government as requiring immediate action. Yet when questioned about the Brisbane City Council which has a worse debt position in terms of the net debt to revenue ratio the Minister treats such questions with gleeful abandon and filibusters with rhetoric about the about the Queensland Government debt position.

Sadly the Minister is in denial about the Brisbane City Council's debt position for the simple reason that the council is run by an LNP administration. Partisan blindness does not discharge a Minister from carrying out his duty to ensure the financial sustainability of local councils.

Corporate Governance of Local Government

During the estimates hearing the Minister was asked a question about any corporate governance issues which have arisen in the recently de-amalgamated local councils.

Mr MULHERIN: Minister, I refer to page 2 of the SDS, which mentions support for local government financial sustainability. This relates more to the

deamalgamated councils. It might be something you or your director-general would like to comment on. First, have there been any operational difficulties with the deamalgamated councils of Livingstone, Mareeba, Douglas and Noosa? Have there been any corporate governance difficulties with those same councils?

Mr CRISAFULLI: *I am not the—*

Mr MULHERIN: *That is why I have said that the DG might have.*

Mr CRISAFULLI: *I just fail to see how an estimates hearing about budget for local government should wish to discuss corporate governance for a council.*

Page 50, Hansard - Estimates—Local Government, Community Recovery and Resilience, 17 July 2014.

As was asserted to several times by the Chair of the Committee and the Minister himself all questions for the estimates hearing had to be related to the Service Delivery Statement for Department of Local Government, Community Recovery and Resilience. Reference to Page 5 of the said document indicates the Minister's blindness to the task his own department is undertaking.

Objectives and highlights for 2014 -15 ...

....

- *Monitor councils' performance and corporate governance to determine appropriate capacity building and intervention strategies, foster strong working relationships with councils.*

Page 5 Service Delivery Statement, Department of Local Government, Community Recovery and Resilience. Budget Papers 2014-15

If the Minister fails to see how an estimates hearing about budget for local government is not an appropriate forum to discuss a key objective of his own department then he either does not understand the function of estimates or is unaware of what is being pursued by the government department he has responsibility for.

Relationship with Minister for Planning

Questions were asked of the Minister about the Priority Development Infrastructure Co-investment Scheme and the treatment of Issac Regional Council.

The Priority Development Infrastructure Co-investment Scheme and its purpose of lowering infrastructure charges directly affects the financial sustainability of local government.

The treatment of Issac Regional Council by the Deputy Premier is a matter which directly involved the Minister as he was copied in key correspondence. In any event the Minister has stated on many occasions that he strongly supports local government autonomy and this matter go to the heart of local government autonomy.

As the Minister does not hold the planning portfolio which is held by a more senior Minister of the Government, he is denuded from the power needed to effect policy

aims for local government. I note that at the 2012 estimates hearing this issue was raised with the Minister.

Mr MULHERIN: *No, not me personally. I note that the previous local government Ministers have usually held complementary portfolios such as planning. Do you find it hard to implement policies for local government without associated portfolios? Is your role really to consult local government and administer grant programs?*

Mr CRISAFULLI: *Let me answer that question in two parts. The first is to say that nothing gives me more pride than to be the Minister for Local Government. The reforms that we are making to this act will change local government in a way that it has not been changed for a generation. I am not quite sure of what interests the member has in local government, but I can tell you that that excites me and that excites the sector. In terms of the second part, I have already mentioned the Deputy Premier by name and I will mention him again. I would not imagine that there would be too many sectors in the planning industry who are disappointed that the planning Minister happens to also be the Deputy Premier—*

Mr MULHERIN:—*and that you have not got planning?*

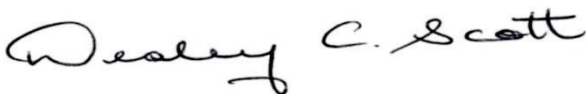
Mr CRISAFULLI:—*and is also in control of state development. I think that is a pretty powerful combination. That is why, unlike the previous government, we might actually forward plan before crises, not afterwards.*

Page 56, Hansard - Estimates—Local Government, 18 October 2012.

I note that the concerns raised at the 2012 estimates hearing have now born fruit and I recommend that at the earliest opportunity that the portfolios of local government and planning be vested in one Minister.

COMMENTS ON TRIAL ESTIMATES PROCESS

It is pleasing to see that the Government has agreed to restore the traditional format for estimates hearings in 2015 after trialling a new system this year. It is obvious that the trial was designed to stretch the Opposition and the media and to minimise effective scrutiny on the executive. Although the trial has been discontinued, the fact that it occurred in the first place tells Queenslanders everything that they need to know about the Government's true attitude to accountability and transparency.



Mrs Desley Scott MP
Deputy Chairperson of the

Transport, Housing and Local Government Committee
State Member for Woodridge

Transport Housing and Local Government Committee – Estimates Hearings 2014
Dissenting Report



Carl Judge MP
State Member for Yeerongpilly

30 July 2014

Mr Howard Hobbs MP
Transport, Housing and Local Government Committee
Parliament House
Cnr George and Alice Streets
BRISBANE QLD 4000

Dear Chair, *HOWARD*

Dissenting Report re 2014 Estimates

On behalf of the Palmer United Party, I wish to highlight that the approach for the 2014 Estimates hearings predictably disadvantaged minor parties and independent cross bench members. This was due to multiple Estimates hearings being held simultaneously.

The consequence of conducting Estimates hearings in such a manner is that minor parties and independent cross bench members were restricted from fully participating at all Estimates hearings. This meant that the Newman Government and Ministers were able to avoid scrutiny by minor parties and independent cross bench members.

It is without doubt that this situation would have been foreseeable at the time the decision was taken to conduct the 2014 Estimates hearings in the manner outlined. Frankly, the decision was unacceptable and arrogant bearing in mind that minor parties and independent cross bench members are committed to representing their respective electorates and constituents throughout Queensland.

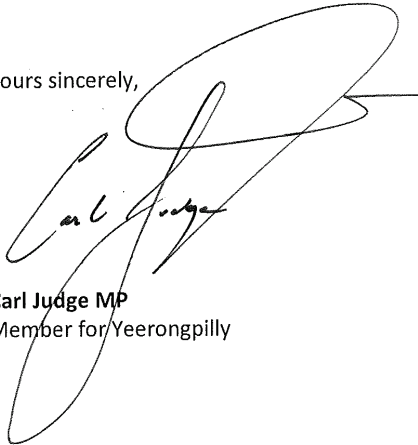
The Palmer United Party has no doubt whatsoever that Queenslanders would be aware of the offensiveness of the approach taken for the 2014 Estimates hearings.

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Carl Judge MP
State Member for Yeerongpilly

The Palmer United Party condemn the approach taken for the 2014 Estimates hearings and strongly advocate that the people of Queensland rightfully deserve more accountability from government and respect for such important parliamentary processes.

Yours sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Carl Judge', is written over the typed name and title.

Carl Judge MP
Member for Yeerongpilly