

# **2012-13 Budget Estimates**

**Report No. 9**

**Transport, Housing and Local Government  
Committee**

**October 2012**

# Transport, Housing and Local Government Committee

<b>Chair</b>	Mr Howard Hobbs MP, Member for Warrego
<b>Deputy Chair</b>	Mrs Desley Scott MP, Member for Woodridge
<b>Members</b>	Mr John Grant MP, Member for Springwood
	Mr Darren Grimwade MP, Member for Morayfield
	Mr Trevor Ruthenberg MP, Member for Kallangur
	Mr Anthony Shorten MP, Member for Algester
	Mrs Tarnya Smith MP, Member for Mount Ommaney
	Mr Bill Byrne MP, Member for Rockhampton
	Ms Jo-Ann Miller MP, Member for Bundamba <sup>1</sup>

<b>Staff</b>	Ms Kate McGuckin, Research Director
	Ms Rachelle Stacey, Principal Research Officer
	Ms Danielle Cooper, Principal Research Officer
	Ms Susan Moran, Executive Assistant
	Ms Lisa Van Der Kley, Executive Assistant

**Contact details** Transport, Housing and Local Government Committee  
Parliament House  
George Street  
Brisbane Qld 4000

<b>Telephone</b>	+61 7 3406 7486
<b>Fax</b>	+61 7 3406 7070
<b>Email</b>	<a href="mailto:thlgc@parliament.qld.gov.au">thlgc@parliament.qld.gov.au</a>
<b>Web</b>	<a href="http://www.parliament.qld.gov.au/thlgc">www.parliament.qld.gov.au/thlgc</a>

## 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 during the course of the Committee's inquiry.

---

<sup>1</sup> Replaced Mr Bill Byrne MP for some sessions of the Public hearing held at Parliament on 18 October 2012.

## Chair's Foreword

This report presents a summary of the Transport, Housing and Local Government Committee's (the Committee) examination of the Budget Estimates for the 2012-13 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 was undertaken through the questions on notice and public hearing process.

The Committee has made one recommendation as follows:

- that the proposed expenditure, as detailed in the Appropriation Bill 2012 for the Committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

On behalf of the Committee, I also wish to thank the Minister for Transport and Main Roads, the Minister for Housing and Public Works and the Minister for Local Government, and their departmental officers for their cooperation 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 and the Committee's secretariat for their hard work and support through the process.



Howard Hobbs MP  
**Chair**

October 2012



## 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 are:

- Transport
- Main Roads
- Housing
- Public Works and
- Local Government.<sup>2</sup>

On 14 September 2012, the Appropriation Bill 2012 and the estimates for the Committee's area of responsibility were referred to the Committee for investigation and report.<sup>3</sup>

On 18 October 2012, the Committee conducted a public hearing and took evidence about the proposed expenditure from the Minister for Transport and Main Roads, the Minister for Housing and Public Works, and the Minister for Local Government and other witnesses. A copy of the transcript of the Committee's hearing can be accessed at:

[http://www.parliament.qld.gov.au/documents/hansard/2012/2012\\_10\\_18\\_Estimates.pdf](http://www.parliament.qld.gov.au/documents/hansard/2012/2012_10_18_Estimates.pdf).

### 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 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.

### 1.3 *Other Members participation*

The Committee gave leave for following non-Committee Members to participate in the hearing:

- Mr Michael Crandon MP, Member for Coomera
- Ms Anastacia Palaszczuk MP, Leader of the Opposition and Member for Inala
- Mr Tim Mulherin MP, Deputy Leader of the Opposition and Member for Mackay
- Ms Jackie Trad MP, Member for South Brisbane
- Ms Jo-Ann Miller MP, Member for Bundamba.

---

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

<sup>3</sup> 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. 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 2012 for the Committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

## 2. Transport and Main Roads

The Minister for Transport and Main Roads is the Minister responsible for the Department of the Transport and Main Roads (TMR), its commercialised business unit RoadTek, and its statutory body the TransLink Transit Authority. The entities within the portfolio work together to deliver a safe, efficient and integrated transport system connecting Queensland. The portfolio plans, delivers and manages Queensland's integrated transport environment to achieve sustainable solutions for road, rail, air and sea transport.<sup>4</sup>

The Department has five service areas:

- Transport System Planning
- Investment and Program Development
- Transport Infrastructure Delivery
- Transport System Management, Operations and Regulation
- Transport Safety.

The following table taken from the Appropriation Bill 2012 compares the appropriations for the department for 2011-12 and 2012-13.

<b>Appropriations</b>	<b>2011-12 \$'000</b>	<b>2012-13 \$'000</b>
<i>Controlled Items</i>		
departmental services	3,708,928	3,509,579
equity adjustment	2,108,831	2,007,707
<i>Administered Items</i>	1,524,814	1,483,771
<b>Vote</b>	<b>7,342,573</b>	<b>7,001,057</b>

Source: Appropriation Bill 2012, Schedule 2, p. 13.

The Appropriation Bill 2012 also seeks Parliament's authorisation for a supplementary appropriation of \$15.97 million for unforeseen expenditure for 2011-2012.<sup>5</sup>

Budgeted capital purchases for the department (and related entities)<sup>6</sup> for 2012-13 is \$6.22 billion with total capital grants of \$140.8 million.<sup>7</sup> This expenditure will provide critical transport infrastructure including roads, railways, busways and marine infrastructure as well as making a

<sup>4</sup> State Budget 2011-12, Service Delivery Statements, Department of Transport and Main Roads, p. 1.

<sup>5</sup> Appropriation Bill 2012, Schedule 4, p. 20.

<sup>6</sup> Includes TransLink Transit Authority, RoadTek, Queensland Rail Limited, Far North Queensland Ports Corporation Limited, Gladstone Ports Corporations Limited, North Queensland Bulk Ports Corporation Limited, Port of Townsville Limited.

<sup>7</sup> State Budget 2012-13, Capital Statement – Budget Paper No. 3, p. 122.

significant investment for natural disaster work to undertake restoration activities across the State.<sup>8</sup>

### 3.1 Budget highlights –Transport and Main Roads

2012-13 budget highlights for the Transport and Main Roads portfolio include:

- Supporting agriculture – prioritising investment in major transport routes to ensure access to heavy transport options for agricultural industries and ensuring provision of appropriate rail access for the transport of grain and cattle for processing and export
- Upgrading key rail crossings – working with Brisbane City Council to build rail crossing flyovers at Telegraph Road, Bracken Ridge and Robinson Road, Geebung
- Improving School Safety Zones – Improve the visibility of speed limit signs in school zones by commencing the installation of flashing speed limit signs outside around 75 schools per year. Priority will be given to schools with significant crash history, a high level of car and pedestrian traffic, higher speed limits or visibility problems
- \$6.5 million in 2012-13 as part of a \$30 million commitment over four years to deepen the Gold Coast Broadwater and nearby waterways
- \$11 million in 2012-13 as part of a \$50 million commitment over four years for the construction of new marine infrastructure such as boat ramps, pontoons and fishing platforms.<sup>9</sup>

### 3.2 Issues raised by the Committee – Transport and Main Roads

Issues raised by the Committee in relation to the Transport and Main Roads portfolio include:

- Provision of overtaking lanes on the highway between Toowoomba and Dalby
- Funding initiatives to reduce the cost of living, such as freezing of car registration fees for family cars and the reduction in public transport fare increases
- TransLink services in South-East Queensland - comparison of 2012-13 funding with previous years
- Plans to reduce delays in the issuing of licences and permits for long and wide loads requiring escorts by Police and Road Pilots
- Queensland Transport and Roads Investment Program (QTRIP) funding specifically in relation to the Mount Ommaney State Electorate
- Appropriate rail access for transporting grain and cattle for processing and export, in particular transportation data for the South Western Railway line to Thallon and the Westlander Rail line to Charleville for past years compared to targets for future years
- Shifting heavy freight from road to rail and related savings in road maintenance and reconstruction
- Borrowings required in 2012-13 to honour commitments made by the previous government
- Plans to deliver better infrastructure and planning for all Queenslanders, especially those in regional Queensland
- School zone safety signs - expenditure and timeframes for installation
- Taxi Subsidy Scheme Review

---

<sup>8</sup> State Budget 2011-12, Service Delivery Statements, Department of Transport and Main Roads, p. 4.

<sup>9</sup> State Budget 2011-12, Service Delivery Statements, Department of Transport and Main Roads, p. 4.

- Recent structural changes to the department and the number of jobs lost
- Changes to the School Transport Assistance Scheme
- Proposed QTRIP expenditure on infrastructure maintenance including reporting on local government road projects
- Reductions in grant funding allocations to local governments, non-government and community organisations and projects in the 2012-13 Budget
- Cost of the recently introduced TransLink policy of free travel after nine trips in a week
- Cross River Rail review panel's report - capital funding and timeframes for progressing interim measures
- South-East Queensland Bus Network Review
- Booking fee for seniors using their Queensland Pension Rail Travel Entitlements
- Departmental Liaison Officer - role and employment conditions
- TransLink reporting including trends in rail patronage and the recently revised methodology for calculating patronage
- Inefficient use of resources including the installation of electric car sockets, expenditure on TravelSmart program backpacks and the cost of the new driver's licence and associated debt
- Cost of the 2011-12 voluntary separation program
- Jindalee and Carindale park and ride facilities - varying construction costs
- Use of credit cards by Queensland Rail employees to purchase inappropriate consumables
- Restructuring of Queensland Rail Head Office
- Maritime Safety Queensland and its location in the department
- Public ownership of Gladstone Port Authority
- Investment in road infrastructure in South-East Queensland
- Complaints of bullying in Queensland Rail
- Plans to improve safety at the Beaudesert Road onramp to the Logan Motorway
- Capital expenditure on recovery and reconstruction works on the Warrego Highway
- Fines for the use of clip-on fabric road train signs
- Number of appointments and the selection and appointment process for senior management positions in TMR since 24 March 2012
- Process for appointing the new Chair of the Queensland Rail Board
- Process for undertaking the audit of the reliability of Queensland Rail
- Proposed expenditure on the Bruce Highway
- Removal of T2 lanes on the Pacific Motorway
- Riverside Expressway maintenance program
- Salisbury to Beaudesert rail corridor study.

### 3. Housing and Public Works

The Minister for Housing and Public Works is the Minister responsible for the Department of the Housing and Public Works formerly the Department of Public Works. The department has undergone recent machinery-of-government changes which saw the transfer in of:

- Housing services (excluding homelessness services), Communities Property Portfolio and the Residential Services Unit of the former Department of Communities
- Building Codes Queensland from the former Department of Local Government and Planning
- Part of the Department of Justice and Attorney-General responsible for the administration of the *Retirement Villages Act 1999*.

In addition, transfers of responsibility from the department to the Department of Science, Information Technology, Innovation and the Arts include:

- CITEC
- Queensland State Archives
- Smart Service Queensland
- Queensland Shared Services.<sup>10</sup>

Within the portfolio the following services are currently delivered to Queensland Government agencies through commercialised business units:

- QBuild delivers building maintenance and construction services and provides a whole-of-Government response to protect and maintain Government building assets in the event of natural disasters and major incidents
- Project Services provides building, design, project management and property consultancy services
- QFleet provides vehicle leasing and fleet management services and manages the Government's vehicle fleet
- Goprint prints and distributes documents and material for departments and Parliament
- Sales and Distribution Services provides office supplies, furniture, logistic support and publication distribution services.<sup>11</sup>

Following recent reviews of the operation of the department's commercialised business units, QBuild and Project Services will be amalgamated into a single business unit, Goprint will discontinue commercialised printing services and Sales and Distribution Services operations will also be discontinued.<sup>12</sup>

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

- Housing Services
- Building Services
- Procurement Services.<sup>13</sup>

Due to recent decisions impacting across all departmental functions there will be significant changes to the service area structure as well as the commercialised business units over the next 12 months.<sup>14</sup>

<sup>10</sup> State Budget 2011-12, Service Delivery Statements, Department of Housing and Public Works, p. 11.

<sup>11</sup> State Budget 2011-12, Service Delivery Statements, Department of Housing and Public Works, p. 1.

<sup>12</sup> State Budget 2011-12, Service Delivery Statements, Department of Housing and Public Works, p. 1.

<sup>13</sup> State Budget 2011-12, Service Delivery Statements, Department of Housing and Public Works, p. 11.

<sup>14</sup> State Budget 2011-12, Service Delivery Statements, Department of Housing and Public Works, p. 11.

The following table taken from the Appropriation Bill 2012 compares the appropriations for the department for 2011-12 and 2012-13.

<b>Appropriations</b>	<b>2011-12 \$'000</b>	<b>2012-13 \$'000</b>
<i>Controlled Items</i>		
departmental services	92,658	497,659
equity adjustment	41,584	139,960
<i>Administered Items</i>	37,231	9,765
<b>Vote</b>	<b>171,473</b>	<b>647,384</b>

Source: Appropriation Bill 2012, Schedule 2, p. 10.

The increase in expenditure is mainly due to the impact of the machinery-of-government changes referred to above.<sup>15</sup>

Budgeted capital purchases for the portfolio (including related entities)<sup>16</sup> for 2012-13 is \$400.5 million with total capital grants of \$222.5 million.<sup>17</sup> This expenditure provides for investment in critical social housing infrastructure, the construction of cyclone shelters, provision of employee housing and accommodation support, and delivery of property solutions to government agencies. The Building Services Authority will replace ageing information technology systems and the Residential Tenancies Authority will also replace ageing systems with integrated business solutions.<sup>18</sup>

#### 4.1 Budget highlights – Housing and Public Works

2012-13 budget highlights for the portfolio include:

- \$131 million for social housing to commence construction of at least 32 rental units, complete construction of at least 200 rental units, purchase of at least an additional 40 rental units, purchase land and upgrade existing social housing
- \$116 million for Indigenous social housing to complete construction of at least 1777 rental units, purchase additional rental units and upgrade existing social housing in indigenous communities
- \$1.2 million to purchase dwellings across the state under the Employment Related Accommodation Program, to support people from Indigenous communities to take up offers of employment, higher education and vocational training in regional centres
- \$48.1 million to continue delivery property solutions that commenced under the Decentralisation Initiative in Carseldine and Ipswich
- \$33.1 million to construct 8 cyclone shelters
- \$19 million to continue to deliver a fitout in a new building in Flinders Street, Townsville which will provide 10,000 square metres of net lettable area
- \$5.6 million to construct and acquire 11 units of accommodation for Government employee housing to support the delivery of Government services in rural and remote communities.<sup>19</sup>

<sup>15</sup> State Budget 2011-12, Service Delivery Statements, Department of Housing and Public Works, p. 25.

<sup>16</sup> Includes the department, the Queensland Building Services Authority and the Residential Tenancies Authority.

<sup>17</sup> State Budget 2012-13, Capital Statement – Budget Paper No. 3, p. 75.

<sup>18</sup> State Budget 2012-13, Capital Statement – Budget Paper No. 3, pp. 71-72.

<sup>19</sup> State Budget 2011-12, Service Delivery Statements, Department of Housing and Public Works, p. 23.

## 4.2 Issues raised by the Committee – Housing and Public Works

Issues raised by the Committee in relation to the Housing and Public Works portfolio include:

- Plans to increase available serviceable public housing, reduce the backlog of housing requests, ensure the maintenance of public housing is of a high standard, and review and renew tenancy agreements
- Borrowing required in 2012-13 to honour commitments made by the previous government
- Average age and condition of housing stock within the Springwood electorate, the number of houses currently under-occupied and a breakdown of occupancy levels and how many applicants are currently on the public housing register
- Housing needs in the Torres Strait and Cape York and plans to address housing shortages
- Impediments to successful tender and project completion for building works in the Torres Strait and Cape York
- Localities identified as requiring public housing renewal and the pilot housing program in Logan
- Growth in the provision of housing services by non-government organisations and the associated benefits of this initiative
- Asbestos audits and the removal of asbestos from public buildings including schools
- Reduction in the number of departmental staff, the communication strategy used to inform affected staff, and the impact on front-line services
- Cuts in grant funding allocations for local governments, non-government and community organisations and projects in 2012-13
- Data on services provided Home Assist Secure over the last three financial years compared to the level of services planned for 2012-13
- Cancellation of funding of the Tenant Advice and Advocacy Service and the impact on the community, particularly those residing in public housing
- Projected decrease in office space per employee
- Reduction in QBuild apprenticeship programs
- Standards for energy and water efficiency in government buildings
- Monitoring and reducing vehicle emissions from the QFleet vehicle fleet
- Amalgamation of the Housing Office in Wynnum with the Housing Office in Capalaba
- Removal of the sustainability declaration for real estate sales
- Proposed Executive Building at 1 William Street
- Sale of Monte Carlo Caravan Park, Woombye Gardens Caravan Park and Lazy Acres Caravan Park and the financial viability of the three caravan parks
- Managing the future demands of social housing and the number of households currently assisted
- Anti-social behaviour in social housing and strategies for dealing with serious and repeat offenders
- Catalyst model for public housing
- Expenditure on housing in Indigenous communities and how to get value for money

- Transitioning of land in Indigenous communities to freehold title
- Merging of QBuild and Project Services
- Inquiry into the Operation and Performance of the Building Services Authority
- Government employee housing in mining and remote regions
- Process for the appointment of a Chief Procurement Officer in the department
- Lobbyist Register in the Minister's Office
- Closure of QBuild Industries
- Carseldine government office redevelopment project
- Construction of cyclone shelters
- Addressing waste and reducing expenditure in QFLEET
- Role of the department in disaster recovery particularly in relation to Charleville, Mitchell, Roma, St George and Townsville
- Government plans for the old Brisbane Supreme Court Building
- Effect of machinery-of-government changes on the departmental balance sheet.

#### 4. Local Government

The Minister for Local Government has ministerial responsibility for the Department of Local Government (formerly the Department of Local Government and Planning). The department has undergone recent machinery-of-government changes which saw the transfer of the Planning functions to the Department of State Development, Infrastructure and Planning and the transfer of Building Codes Queensland to the Department of Housing and Public Works. The department has one service area – local government.<sup>20</sup>

The following table taken from the Appropriation Bill 2012 compares the appropriations for the department for 2011-12 and 2012-13.

<b>Appropriations</b>	<b>2011-12 \$'000</b>	<b>2012-13 \$'000</b>
<i>Controlled Items</i>		
departmental services	663,312	223,526
equity adjustment	2,880	27,301
<i>Administered Items</i>	416,547	197,634
<b>Vote</b>	<b>1,082,739</b>	<b>448,461</b>

Source: Appropriation Bill 2012, Schedule 2, p. 11.

Direct comparison cannot be made between the expenses in the 2011-12 year and expenses in the 2012-13 year because of the machinery-of-government changes referred to above.<sup>21</sup>

The Appropriation Bill 2012 also seeks Parliament's authorisation for a supplementary appropriation of \$86.19 million for unforeseen expenditure for the department for 2010-11.<sup>22</sup>

<sup>20</sup> State Budget 2011-12, Service Delivery Statements, Department of Local Government, p. 10.

<sup>21</sup> State Budget 2011-12, Service Delivery Statements, Department of Local Government, p. 15.

<sup>22</sup> Appropriation Bill 2013, Schedule 3, p. 17.

Budgeted expenditure in 2012-13 for the Department of Local Government is \$28.4 million for property plant and equipment and \$148.5 million for capital grants.<sup>23</sup> The major component of the capital works program is the funding of the Indigenous State Infrastructure Program which delivers priority environmental health infrastructure projects to mainland Indigenous communities. Capital works projects include water, sewerage, solid waste, serviced housing lots, road works and drainage to support the delivery of the \$1.2 billion Commonwealth-funded National Partnership Agreement on Remote Indigenous Housing.<sup>24</sup>

### 5.1 Budget highlights – Department of Local Government

2012-13 budget highlights for the Department of Local Government include:

- Reform of the *Local Government Act 2009* and the *City of Brisbane Act 2010* to increase the autonomy and effectiveness of local governments and to ensure mayors and councillors have the authority and capacity to make good decisions in the best interests of their communities
- Implementation of the first round of a funding program (\$40 million over three years) to assist local governments meet the recommendations of the Queensland Floods Commission of Inquiry
- Capital expenditure for major infrastructure projects under the Indigenous State Infrastructure Program:
  - Doomadgee Shire Council area: \$7.2 million for construction of a new 24 lot subdivision, a new two Mega Litre concrete water reservoir, and replacement of water reticulation and connections to subdivisions
  - Yarrabah Shire Council area: \$4.9 million for water reticulation upgrades and sewage pump station and reticulation upgrades and emergent sewerage overflow
  - Aurukun Shire Council area: \$4.4 million for water supply and reticulation replacement, sewage pump station upgrades, water storage and landfill upgrades, 17 serviced allotments, and fencing and landscaping at sewerage treatment plant and landfill
  - Pormpuraaw Shire Council area: \$4.1 million for water reticulation, road works, sewerage upgrades, solid waste investigations and construction of 10 lot subdivision
  - Mornington Island: \$3.3 million for upgrades to Dithery Creek Dam, the water treatment plant and sewage pump stations, and replacement of water reticulation systems.<sup>25</sup>

### 5.2 Issues raised by the Committee – Department of Local Government

Issues raised by the Committee in relation to the Department of Local Government include:

- Cost of 2007 local council amalgamations and the estimated financial impact on ratepayers
- Local government revenue for the last five years including Commonwealth, State and self-generated revenue
- Government plans to assist with the increasing costs of developing, maintaining and replacing infrastructure for local councils
- Grants and Subsidies Program - actual spend in 2011-12

<sup>23</sup> State Budget 2012-13, Capital Statement – Budget Paper No. 3, p. 81.

<sup>24</sup> State Budget 2011-12, Service Delivery Statements, Department of Local Government, p. 5.

<sup>25</sup> State Budget 2011-12, Service Delivery Statements, Department of Local Government, pp. 3-4 and 14.

- Comparison of local government debt servicing costs under various State credit ratings
- Potential cost savings of the Local Government and Other Legislation Amendment Bill 2012
- Impact on council budgets due to the delay of the local government elections
- Financial outlook of each individual local council including borrowings, financial sustainability evaluations and monitoring by the Department of Local Government
- Costs of appointing the Boundaries Commissioner
- Potential cost (and available funding) of possible council de-amalgamations
- Assessment process for de-amalgamation applications
- Departmental restructure, the number of positions lost and the impact on local councils of reducing public sector jobs in regional and rural economies
- Funding reductions for grants and subsidies programs for local government, non-government and community organisations and projects
- 2012-12 Local Government satisfaction survey
- Allocation of infrastructure and capital grants funds
- Partners in Government Agreement
- Review of the methodology for the Commonwealth Financial Assistance Grants and the reduction in Queensland's share
- Declaration of vexatious constituents under the Local Government Act 2009
- Funding priorities for the \$40 million allocated to assist local governments implement recommendations from the Queensland Floods Commission of Inquiry
- Duplication of community planning and other planning requirements such as corporate plans
- Commonwealth Government's commissioning of Ernst & Young to review local government financing, debt and depreciation
- Operational planning timeframes
- Outcome of the Minister for Local Government's visits to all 73 Queensland councils
- Proposed introduction of a simpler general reporting system for local government
- Conflict of interest provisions in respect to sporting and community groups and material personal interest provisions in the current legislation
- Reinvigoration of council lands to open them up for the public benefit and possible funding through the grants and subsidies fund
- Blocking off council land to the public and providing access to private individuals with adjoining properties
- Nominees for council elections being posted as they are received
- Addressing issues related to the corporate status of local governments
- Constraints on the entrepreneurial actions and activities of councils
- Disqualification of local councillors when they become a candidate for the Queensland Legislative Assembly
- Qualification clauses for the Torres Strait Regional Council

- Financial viability of the Legacy Way project and its potential impact on Brisbane City Council's fiscal position
- Process for appointing senior executive employees in local councils
- Legislative changes regarding councillors requests for briefings from council officers
- Proposed additional powers for elected officials to have the ability to prepare the budget and direct senior contract employees
- Impact on local jobs in geographically-large but population-small councils when flood recovery work is completed
- Local councils setting up private companies in competition with the private sector
- Party houses and proposed amendments to the *Local Government Act 2009*
- Allocation of funds to the local councils most impacted by the mining boom
- Allocation of funding to ensure required standards are met by councillors and mayors especially given the number of new councillors appointed after the recent elections
- Delivery of Government services in Aboriginal and Torres Strait Islander communities
- Separation of the planning portfolio from the local government portfolio in the department
- Invitations to the Minister for Local Government to attend private corporate boxes at facilities owned and operated by Stadiums Queensland
- Removal of jobs from the department and their classification as front-line in the Minimum Obligatory Human Resource Information (MOHRI) data
- Allocation of graffiti funding to Brisbane City Council compared to regional areas
- Impact of the carbon tax on the ongoing viability and financial sustainability of local government
- Funding provided by the Show Societies Grants Program
- Concerns in relation to the management of the 2012 local government elections
- Level of attendance at the Councillor Induction Program.

# Transport Housing and Local Government Committee Estimates Hearing 2012

## Statement of Reservation

*The Members for Woodridge and Rockhampton submit this statement of reservation. The Members for Inala, Mackay, Mulgrave, Bundamba and South Brisbane agree with this statement.*

### **Concerns regarding the conduct of the Estimates hearings**

The Opposition places on record some serious concerns regarding the conduct of the 2012 Transport, Housing and Local Government hearing. In particular we would highlight the failure of Minister Emerson to submit his answers to Questions on Notice by the required deadline of 10:00am before the estimates hearing as required under Standing Order 182(3). Given that the Minister had almost 4 weeks to prepare the answers to Questions on Notice, it is very disappointing that he was unable to provide them to the committee on time.

In addition, the quality of information provided by different Ministers in the answers to Questions on Notice varied significantly. Again, Minister Emerson is singled out for his lack of responses to a number of legitimate questions about the expenditure of his Department and agencies. The very limited and evasive responses received from Minister Emerson give rise to questions as to why he was unable to provide the answers on time.

## **Transport and Main Roads**

### **Transparency in the Department of Transport and Main Roads**

Non-government members asked a range of questions regarding the transparency and accountability of the Department of Transport and Main Roads (DTMR). The answers provided by the Minister and Director-General were disappointing and did not live up to the ideal of accountability in government championed by the LNP.

The Minister and Director-General were asked whether they would allow a briefing for members of the Opposition regarding proposed changes to the structure of DTMR, TransLink and Queensland Rail. The Minister declined to agree to this request, despite it being made originally in a letter in May 2012.

When asked whether DTMR's Departmental Liaison Officers (DLOs) were located in the Minister's office or on another floor in the Department, the Director-General gave an evasive answer, referring only to the Branch and Division the staff were located in and not their physical location. It is noted that in 2011 the DTMR moved the DLOs out of the office of the then Minister for Transport and onto another floor within the Capital Hill building.

The Director-General was further asked about the persons appointed to the DLO positions since March 24. The Director-General admitted that he personally knew one of the successful applicants prior to their appointment.

## TransLink Patronage

It was revealed at the hearing that the figures used consistently by the Minister for Transport and Main Roads regarding patronage on the TransLink network are incorrect. The Minister has continuously attempted to portray the TransLink network as being in crisis by pointing to falling patronage. Most recently, Minister Emerson suggested that patronage had decreased by 300,000 from the 2010-11 year to 2011-12.

The figures that were published in the TransLink Annual Report for 2011-12 support this conclusion. However, the patronage figures published in the annual report for previous years, including 2010-11 are not accurate figures and therefore give rise to a false comparison.

In December 2011 TransLink issued a document correcting previous rail patronage figures. This correction was made because it was recognised that with more accurate data available since the introduction of the *go* card in 2008, the historic assumptions that were made regarding rail patronage were incorrect. TransLink is not alone in making such a patronage correction. In New South Wales the O'Farrell Government issued a similar rail patronage correction in 2011 which provided more accurate rail patronage data for previous years.

The consequence of the train patronage correction in Queensland is represented in the table on the following page.

	<b>09/10</b>	<b>10/11<sup>26</sup></b>	<b>11/12</b>
Bus patronage	117.9m	119.2m	120.3m
Ferry patronage	5.6m	4.3m	5.2m
Train patronage (counted with old methodology prior to correction)	57.6m	55m	NA <sup>27</sup>
Train patronage (new methodology post train patronage correction)	52.3m	51m	52.8m
Difference in train trips between old and new methodology	<b>-5.3m</b>	<b>-4m</b>	NA <sup>2</sup>
Total patronage using old methodology figures (change from previous year)	<b>181.1m</b>	<b>178.6m (-2.6m)</b>	<b>178.3m<sup>28</sup> (-0.3m)<sup>29</sup></b>
Total patronage under new methodology figures (Change from previous year)	<b>175.8m</b>	<b>174.5m (-1.3m)</b>	<b>178.3m (+3.8m)<sup>30</sup></b>

Sources: *TransLink Annual Report 2011/12, page 64.*  
*TransLink Train Patronage Correction, December 2011.*

<sup>26</sup> This year contained the 2010-11 summer floods. Significant drops in patronage this year are attributable to flood disruptions.

<sup>27</sup> No old methodology train patronage figures exist for 11-12. It has been reported on the new methodology.

<sup>28</sup> As no old methodology train patronage figures are available for 2011-12, this figure contains train patronage measured under the new methodology

<sup>29</sup> This figure is included for completeness and to show where the figure quoted by Minister Emerson is derived from. It is an inaccurate and misleading comparison because it compares inaccurate train patronage data with new methodology train patronage data.

<sup>30</sup> This is the most accurate figure for TransLink patronage available. Comparing it with the most accurate figures from previous years shows an increase in patronage of 3.9 million trips since 2010-11.

By comparing old and inaccurate train patronage data from 2010-11 with new and more accurate data from 2011-12, the Minister has been able to confect a drop in patronage of 300,000 in the past year. However, if a comparison is done using only accurate and up-to-date data which is available for the 2010-11 year, it is demonstrated that there was actually an increase of 3.8 million trips on the TransLink network in the past year.

When asked why the more accurate data had not been used in the Annual Report the CEO of TransLink was unable to give any explanation. The Minister attempted to explain away the more accurate data and accused TransLink and the former Government saying they had 'fiddled and conned the numbers.'<sup>31</sup> The Minister went on to say that he had ordered the old methodology figures to be used. In effect the Minister admitted he was not interested in the most accurate data, he was only interested in data that showed a patronage decrease.

In its Annual Report for 2011-12 Queensland Rail used the more accurate methodology to report train trips and reported an increase in patronage on the Citytrain network of 3% in the past year.<sup>32</sup> It seems that the Minister is alone in ordering TransLink to provide him with inaccurate data.

It is a matter of serious concern that the Minister has admitted to using inaccurate data and publishing it. It is further evidence that the Government's commitment to accountability is nothing more than hollow words and posturing.

#### **TransLink Tracker 2011-12 Quarter 4**

The Minister was also asked about the regular publication of data by TransLink through the TransLink tracker. Published online each quarter, the TransLink tracker provides a snapshot of the network and gives detailed breakdowns of a range of measures including on-time running, customer satisfaction and complaints. It is a substantial report that is more than 20 pages long.

When asked why the TransLink tracker for Quarter 4 (April-June) of 2011-12 had not been released, the Minister insisted that the information contained in tracker had been released in the TransLink Annual Report 2011-12. This is simply not the case. The Minister continually referred the committee to page 65 of the TransLink Annual Report, however, this page contains patronage figures for the year only. The other measures contained in tracker have not been reported on since the 2011-12 Quarter 3 (January-March) tracker was released in July 2012.

It is apparent that the Minister had access to the information reported on in tracker as he had already been referring to figures from Q1 (July-September) of 2012-13.

It is noted that a week after the estimates hearing and after considerable pressure from the Opposition the Minister finally released the Quarter 4 results. However, questions remain as to why the report was delayed in the first place. In the future the Opposition called on the

---

<sup>31</sup> Transport, housing and Local Government Committee, 2012-13 estimates hearing transcript, Page 9.

<sup>32</sup> Queensland Rail Annual Report 2011-12, page 8.

Minister to guarantee that tracker will be published regularly and on time, containing up to date information.

### **Taxi Subsidy Scheme (TSS)**

The Minister was also asked about the Government's decision in the budget to cap the TSS at \$400 annually for members. This decision was made hastily, without consultation and without any thought as to how it would impact on the lives of people who rely on the TSS to remain independent.

After a considerable public backlash, the Minister announced that he would backflip on the decision taken in the budget, rescind the cap for now, and establish a committee to review the TSS. As pretext for this policy backflip, the Minister cited a 2011 report carried out by the Department of Transport and Main Roads which included a statement that membership of the scheme had increased by 98%. It was this increase in membership that the Minister had cited as the need to introduce a cap. Minister Emerson attempted to lay the blame for the LNP Government's hasty and ill-considered decision to cap the scheme on the former Labor Government.

When asked to release the 2011 report, the Minister initially obfuscated, and eventually released the one page executive summary of the 36 page report. The Minister also claimed that he had commissioned his own review of the TSS and the 2011 report and that his review uncovered that membership of the scheme had not increased by 98%. However, the Minister would not release his recent review of the TSS so that it too could be scrutinised.

The Minister's statements and conduct regarding the Taxi Subsidy Scheme reveal that the Government has a disregard for the people who rely on it. The Opposition does not believe the Minister satisfactorily answered questions regarding his decisions and subsequent backflips on the Taxi Subsidy Scheme.

### **Queensland Rail**

Questions were asked regarding the appointment of people to management positions in Queensland Rail as well as the appointment of the new Chair of the Board. It is not readily apparent from the information provided by Queensland Rail and the Minister that all appointments were made after an exhaustive and competitive merit based selection process.

Opposition members also asked questions regarding the 'independent audit' of Queensland Rail conducted by DTMR. There are serious questions regarding the true independence of the audit into Queensland Rail that have not been answered.

# **Housing and Public Works**

## **Qbuild**

The Minister was asked about reductions in the number of apprentices to be trained by QBuild. He confirmed that there would be significant reductions. Given the long and successful tradition that QBuild has of training apprentices it is disappointing that this Government does not place a high value on training young Queenslanders.

The Minister went on to cast significant doubt over the future of QBuild as an organisation, suggesting that the private sector could do any work that QBuild does not do. The Opposition believes that QBuild has an important role to play in Queensland and that the significant job cuts it has undergone weakens it as an organisation. That weakening is being undertaken deliberately in order to justify a future privatisation of QBuild and the services it provides.

## **Building Services Authority**

The Minister was questioned about his vision for the future of the Building Services Authority (BSA) in light of the inquiry into its operation by the Transport, Housing and Local Government Committee. The Opposition raised the excellent and professional work done by the BSA in resolving what are often very difficult, contentious and highly emotional disputes between builders and homeowners. We believe that the Minister has not appropriately stood up for the BSA and its staff in light of some highly personal attacks made under the auspices of the committee inquiry.

## **Procurement**

Serious questions were posed regarding the appointment of a new Chief Procurement Officer. It is disappointing that it was confirmed by the Department that the position was not advertised and was filled by way of a 'targeted executive search.'

## **Housing**

The 2012 estimates process provided the Minister for Housing and Public Works the opportunity to continue to display his lack of empathy and compassion when it comes to the issues of public and social housing in Queensland.

The Minister in his opening remarks stated that he had written to every public housing tenant in the state and spelt out his plans to shakeup the Queensland public housing sector. Public tenants in Queensland have now been instilled with fear and uncertainty.

The Opposition understand that providing a strong public housing system is vital to support Queenslanders that is why when in Government, Labor invested a record amount of money in the sector. The Opposition holds grave concerns about the change management strategy of the LNP Government.

The Minister is to be congratulated for being the first Minister during the estimates process to actually state that people are losing their jobs. The Minister under questioning by the Leader

of the Opposition stated “people losing their jobs”, rather than the euphemistic “voluntary redundancy” process, which the government is claiming they are undertaking which has seen over 14,000 public servants being sacked, since March 2012.

The Minister was not concerned with the fact that his job cuts would affect the wider community at large and even the public housing sector, when more people cannot afford private sector rental accommodation.

The Minister denied that he had axed front-line services, even though he had stated in a letter to the Clerk, in response to a petition lodged with the Queensland Parliament, “I acknowledge that the closure of frontline services is of concern to many Queenslanders”. The petition related to the closure of the frontline Department of Housing and Public Works housing office in Wynnum.

In further correspondence tabled by the Leader of the Opposition about the axing of the Tenant Advice and Advocacy Services funding, signed by Minister Flegg he stated:

*“The Tenant Participation program was established in 1991, with 10 regional tenant groups and 47 local tenant groups currently in operation. While the program delivered some excellent outcomes over the years – for both tenants and their communities – it is difficult to justify ongoing funding of \$350,000, plus front-line staff resources to this program while there are significant levels of unmet housing need”*

The letter indicated that the Minister was withdrawing funding for “front-line staff resources” from a program which has provided both tenants and their communities with vital information and advocacy services for over 11 years.

The Minister further denied that he had axed frontline services, even though he had clearly stated he had done so in two pieces of correspondence. This just goes to show that this Minister and his Government are not interested in actual frontline services, having cut funding to the frontline Tenants Advice and Advocacy Service and shutdown the Wynnum Department of Housing and Public Works Housing Office.

The Minister has continued to display his lack of empathy and compassion, by deciding to sell off three state government owned caravan parks. The residents of these caravan parks, in particular the Monte Carlo Caravan Park, were informed of his decision in the cruel and callous manner which has become the norm of the Government, by an unaddressed letter to the residents, delivered late one winter afternoon.

The Minister informed the estimates committee that he was unaware of how the letter was distributed, even though it was his decision to close and sell off the three caravan parks, and refused to apologise to the residents of the Monte Carlo Caravan Park who were watching the proceedings in the public gallery.

The Minister throughout the estimates process claimed that the caravan parks were not making the state money. There are two points which can be raised with this statement. The first is that public housing should not be run for a profit, but is a service offered by the government to ensure that people have a roof over their head. Secondly, analysis tabled by the Member for Bundamba, taken from the Departments own annual reports indicate that collectively the caravan parks are making a profit. This contradicts what the Minister has

stated and questions should be answered about the real reasons behind the decision to sell of the three government owned caravan parks.

The Minister has stated that the caravan parks are owned by the government and are therefore government assets. Upon questioning about whether he had breached the Premier's pledge to not privatise public assets without a mandate, the Minister deflected the answer.

The LNP government wants to sell off government owned buildings and create a "tower of power" executive building for itself. The LNP Government has already lost touch with the community and has displayed double standards.

## **Local Government**

### **Lack of investment in local government projects.**

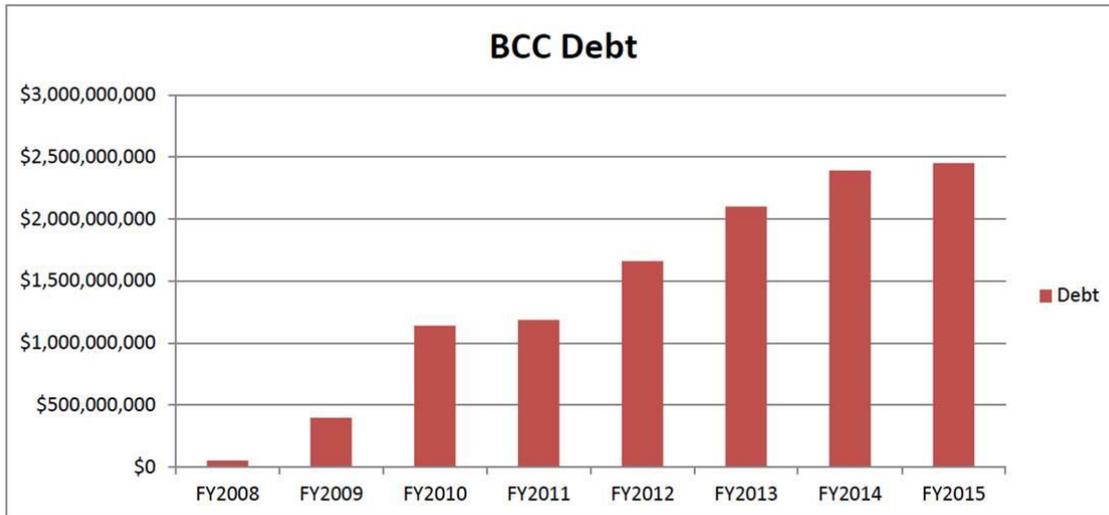
Under questioning from the Opposition the Minister did not properly explain the discrepancies in the Government's own budget figures between a cut to local government grants of \$11.62m in Budget Paper 4 and \$155.2m in Budget Paper 3. The Minister was asked specifically whether there was any new money for local government infrastructure in the budget that had not already been planned under the previous government. The Minister was unable to provide an adequate answer and pointed only to the previous year's allocation being underspent because the state government was in caretaker mode shortly after applications for funding were sought.

When asked directly about criticism of the budget from the Local Government Association of Queensland, the Minister refused to rule out more cuts in grants programs. Even when pressed on the point, the Minister repeatedly refused to rule out that more pain was to come.

Given the substantial reductions in funding, it is difficult to see what the Minister actually administers.

### **Local Government debt**

The Minister was asked a series of questions about debt taken on by local governments in Queensland. The Minister was asked which council in Queensland had the largest amount of debt. After avoiding the question for a period of time, the Minister stated that it was the Brisbane City Council with a debt of \$1.16bn, however, the figure quoted by the Minister contradicts information published by the Queensland Treasury Corporation which states the Brisbane City Council's debt was \$1.828bn. A table outlining the increase in Brisbane City Council's debt is below.



Data sourced from 2010 and 2011 QTC Credit Reviews. FY2012 to FY2015 is debt forecast by BCC.

It is concerning to think the Minister may have been misleading the committee. The alternative is that the Minister did not know the financial circumstances of the largest Council in Queensland (and for that matter, Australia).

The Minister suggested that the Brisbane City Council was in a better situation than the State, when the current Government took office. In fact, the debt levels of the Brisbane City Council mean that it has a higher debt-to-income ratio than the State Government. As had to be pointed out to the Minister in questioning, the Brisbane City Council's net financial liabilities to revenue ratio was 111.1% in 2011-12 as detailed in the 2011-12 BCC Budget and annual plan (page 13 2012-13 BCC Budget Papers). This was higher than the State's level of 102%, as outlined in the Mid Year Review (page 21).

Thanks to current Queensland Treasurer Nicholls and Premier Newman's locked in debt from their time in Council, Next financial year (2013-14) the ratio for the BCC is expected to peak at 157.9% – much higher than Queensland's peak debt ratio at the Mid-Year Review of 123%.

Given the level of concern the Minister has professed for the debt levels of the state government, it was hypocritical for him not to show a greater level of concern for the debt levels of the Brisbane City Council. The Minister could not explain why he did not understand the relative debt levels of the largest Council and the Queensland Government.

### **Land Access**

The Opposition supports the Minister and his Department looking at ways to utilise council land for paths and allowing people to walk and enjoy river beds, particularly in promoting healthy lifestyles and family activities. We are pleased to note that the Department will investigate an incident involving the Minister where Townsville City Council blocked off access to public land for the benefit of private landholders.

We are concerned that this matter was not raised previously. It undermines the position of the Minister, and the Government, to have the Minister with the responsibility to ensure accountability and openness in Local Government, to be involved in this serious matter.

The Director-General's answer made it clear that he had not been aware of the specific matter. What is concerning is that a Minister would not inform his Director-General. The Minister should have told his Director-General that he was the subject of serious questions about council land being blocked off for the use of private properties.

The opposition looks forward to seeing the results of the Director-General's independent investigation.

### **Labour Day**

Questions were asked of the Minister about the decision to move the Labour Day public holiday and the impact that this would have on some local councils. The fact that the Minister did not discuss the effect of moving the Labour Day long weekend with the Barcaldine Regional Council is disappointing. It would have been appropriate for the Minister to undertake proper consultation with the council prior to the decision being made and discussing it with them afterwards.



Desley Scott MP  
**Member for Woodridge**



Bill Byrne MP  
**Member for Rockhampton**