



Inquiry into the Peninsula Developmental Road (Laura to Weipa) Project

**Report No. 33, 57th Parliament
Transport and Resources Committee
April 2023**

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Acknowledgements

The committee acknowledges the assistance provided by the Department of Transport and Main Roads.

All web address references are current at the time of publishing.

Contents

Chair's foreword	iii
Conclusions and recommendation	iv
Executive Summary	v
1 Introduction	1
1.1 Role of the committee	1
1.2 Scope of inquiry	1
1.3 Inquiry process	2
2 Background and scope of the project	3
2.1 Background	3
2.2 Project overview	3
2.2.1 Cape York Region Package Program Board	4
2.2.2 Indigenous Land Use Agreement	4
2.3 Location	5
2.4 Project financing and budget	8
2.4.1 Queensland Transport and Roads Investment Program budget allocations	9
2.5 Project time frames	17
2.5.1 Time frame status of current and future CYRP2 projects	18
3 Terms of reference	19
3.1 Purpose of the work and suitability of the work for its purpose	19
3.1.1 Alignment with Asset Strategic Plan and Service Delivery Plan	20
3.2 Necessity for and the advisability of, the work	20
3.2.1 Maintenance responsibilities and costs	21
3.2.2 Timing of the work	22
3.3 Value for money achieved by the work	22
3.4 Cost of and recurrent costs of the work	23
3.5 Public value of the work, including the impact on the community, economy and environment	24
3.5.1 Impact of the work on the community	25
3.5.2 Impact of the work on the economy	28
3.5.3 Impact of the work on the environment	29
3.6 Balance of public and private sector involvement in the works	31
3.6.1 Public sector involvement	31
3.6.2 Private sector involvement	31
3.7 Performance of the constructing authority, consultants and contractors for the work	32
3.8 Actual suitability of the works in meeting the needs and in achieving the stated purpose of the works	34
3.8.1 KRA results	35
3.8.2 Stakeholder views	35
4 Matters outside of the inquiry terms of reference	36
4.1 Services needed to cater for increased levels of tourism	36

4.1.1	Toilets and waste	36
4.1.2	Telecommunications	37
4.2	Possible source of local revenue	37
	Committee comment	38
	Appendix A – Submitters	39
	Appendix B – Official at public departmental briefings	40
	Appendix C – Witnesses at public hearings and meeting	41
	Appendix D - Abbreviations	42

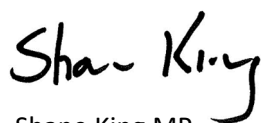
Chair's foreword

This report presents a summary of the Transport and Resources Committee's public works inquiry into the Peninsula Developmental Road (Laura to Weipa) project.

The committee's task was to consider aspects of the works and the performance of those involved in the upgrade of the Peninsula Developmental Road (PDR).

On behalf of the committee, I thank those who made written submissions to this inquiry and who attended our public hearings. I specifically thank the Director-General of the Department of Transport and Main Roads (DTMR), Mr Neil Scales for his continued assistance to the committee through this inquiry. The committee notes the assistance of DTMR staff Jeremy Wienert – Senior Engineer (Civil) and Aaron Sexton – Project Manager (CYRP), who joined committee members on our site inspection of the PDR in June 2022.

I commend this report to the House.

A handwritten signature in black ink that reads "Shane King". The signature is written in a cursive, flowing style.

Shane King MP

Chair

Conclusions and recommendation

Conclusions

The committee has concluded:

- The work is suitable for its purpose
- The work was necessary and advisable
- The work was reasonable value for money
- The costs of the work was reasonable
- The work has had a positive impact on the community, the economy and the environment.
- The procurement method for the work was suitable
- The balance of public and private sector involvement in the work was satisfactory.

Recommendation

The committee recommends the Legislative Assembly note the contents of this report.

Executive Summary

The Peninsula Developmental Road (PDR) provides a vital transport route through over 500 kilometres of Cape York. However, the road had historically been in a poor state, with only a quarter of its length being sealed prior to 2014-15, and it being flooded and cut for up to four months during each wet season.

The impacts of the road being inoperable for such long periods each year have been significant on communities across Cape York. Resultant hardships have included isolation, a hindering of economic and social opportunities, the need for residents to stockpile provisions (in particular food), and a requirement for locals to be airlifted for medical services. The prior state of the PDR and the effects of poor connectivity across the Cape have contributed to the region experiencing significant disadvantage, in particular the local First Nations' peoples.

The Cape York Region Package (CYRP) was announced in 2014 in order to upgrade critical infrastructure on Cape York Peninsula. Over the last nine years, a total of \$466 million has been spent on two instalments of the CYRP, with these works being jointly funded by the Australian and Queensland Governments. The focus of these works has been ongoing upgrades to the PDR. From 2014 to 2023, a further 201 kilometres of the PDR has been sealed.

Under powers stated in the *Parliament of Queensland Act 2001*, the committee resolved to conduct a public works inquiry into the Peninsula Developmental Road (Laura to Weipa) project and to report to the parliament on these works. Members of the committee conducted a site inspection, driving the PDR route in June 2022, and holding hearings with local communities to discuss the works.

We received overwhelmingly positive reports on the impacts of the project to date. This included a focus on training and utilising local residents and businesses for the required works that occurred through an Indigenous Land Use Agreement (ILUA) partnership between the Department of Transport and Main Roads, local Traditional Owners and the Cape York Land Council.

The Department of Transport and Main Roads advised that a Social, Environmental and Economic Impact Assessment details significant benefits and outcomes to the Cape York region through the delivery of CYRP. This study notes improvements in social outcomes for First Nations' and local communities in Cape York by providing better access to health services, employment and education opportunities.

The benefits of the works have also included a recent increase in tourist and visitor numbers to the Cape, following the improvement of accessibility of the PDR. While this has the potential to further contribute to local economic growth, we heard of the challenges that this influx had created for local authorities in regards to the need for improved local amenities. The committee encourages all levels of government to continue working together in order to improve services to the residents of Cape York and visitors to this region.

1 Introduction

1.1 Role of the committee

The Transport and Resources Committee (committee) is a portfolio committee of the Legislative Assembly that commenced on 26 November 2020 under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.¹

The committee's primary areas of responsibility are:

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

Under section 94 of the *Parliament of Queensland Act 2001*, the committee has the following responsibilities to the extent that they relate to the committee's portfolio areas:

- (a) the assessment of the integrity, economy, efficiency and effectiveness of government financial management by—
 - (i) examining government financial documents; and
 - (ii) considering the annual and other reports of the auditor-general;
- (b) works (public works) undertaken by an entity that is a constructing authority for the works if the committee decides to consider the works;
- (c) any major works if the committee decides to consider the works.²

1.2 Scope of inquiry

On 29 November 2021, the Transport and Resources Committee resolved to conduct a public works inquiry into the Peninsula Developmental Road (Laura to Weipa) project, located in Far North Queensland (FNQ).

In line with stated powers in the *Parliament of Queensland Act 2001*, the terms of reference for the inquiry are to examine the project and report to the Parliament on:

- a. the stated purpose of the works and the apparent suitability of the works for the purpose; and
- b. the necessity for, and the advisability of, the works; and
- c. value for money achieved, or likely to be achieved, by the works; and
- d. revenue produced by, and recurrent costs of, the works or estimates of revenue and costs for the works; and
- e. the present and prospective public value of the works, including, for example, consideration of the impact of the works on the community, economy and environment; and procurement methods for the works; and
- f. the balance of public and private sector involvement in the works; and

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

² *Parliament of Queensland Act 2001*, s 94.

- g. the performance of—
 - (i) the constructing authority for the works; and
 - (ii) the consultants and contractors for the works; with particular regard to the time taken for finishing the works and the cost and quality of the works; and
- h. the actual suitability of the works in meeting the needs and in achieving the stated purpose of the works.³

1.3 Inquiry process

On 1 December 2021, the committee sought a written submission from the Department of Transport and Main Roads (DTMR) addressing the terms of reference and responses to specific questions.

On 8 December 2021, the committee invited stakeholders and subscribers to make written submissions addressing the terms of reference. Submissions closed on 16 February 2022. Three submissions were received, including the submission from DTMR. Appendix A contains a list of those submissions received.

On 28 March 2022 and 27 March 2023, the committee held public briefings with the Director-General, DTMR.

A sub-committee of members undertook a site inspection of the project from 6 to 9 June 2022, accompanied by DTMR officers. Public hearings were held in Weipa on 6 June 2022 and in Cairns on 9 June 2022. The sub-committee also held a meeting with the Cook Shire Council in Cooktown on 8 June 2022. Appendix C contains a list of participants at these regional hearings and the meeting.

The submissions, correspondence from the department and transcripts of the briefing, hearings and meeting are available on the committee's webpage.



Public hearing in Weipa on 6 June 2022.
(left to right: Lachlan Millar MP, Shane King MP
and James Martin MP.)



Members of the sub-committee at the start of the
Peninsula Developmental Road, approximately 40
kilometres south of Weipa.

³ *Parliament of Queensland Act 2001, s 94(2).*

2 Background and scope of the project

2.1 Background

The Peninsula Developmental Road (PDR) is the main road transport link within Cape York and between the Peninsula and the rest of the Australian mainland. The Cape is home to approximately 18,000 residents of which over two-thirds identify as Aboriginal and Torres Strait Islanders. It is one of the most remote areas of Australia and experiences significant disadvantage.⁴

The PDR is a state-controlled road and historically, much of it has been unsealed, severely corrugated and significantly impacted during the annual wet season. Saturation and flooding has resulted in the road being closed for up to four months per year, which then causes remote communities that rely on the road to become isolated.⁵

While a commercial barge service operates to certain locations in Cape York, the committee heard evidence that this transport option can be costly and that there may be extended timeframes to send and receive freight and supplies via this alternate route when the PDR is inoperable.⁶

In January 2014, the Federal Government announced a five-year, \$210 million funding package aimed at improving infrastructure in Cape York.⁷ This commitment stated:

The Cape York Region package will look to upgrade key access roads in the region to ensure they are able to withstand severe weather conditions. This will keep those roads open for longer during the annual wet season and underpin stronger local economies and better services for locals.⁸

2.2 Project overview

The Cape York Region Package (CYRP) was initially a five-year, \$260.5 million program of works jointly funded by the Commonwealth and Queensland Governments. While the focus of the CYRP was sealing sections of the PDR, other components of the package included:

- Indigenous community infrastructure work (\$50.5 million)
- Endeavour Valley Road sealing works (\$10 million).⁹

This original funding package covered the period from 2014-15 to 2018-19 and is referred to as CYRP1 (the first stage of the project).¹⁰ In 2018, the program funding was increased by \$15.5 million to a total of \$276 million.¹¹

⁴ Submission 2, p 2.

⁵ Submission 2, p 53.

⁶ See Public hearing transcript, Weipa, 6 June 2022, p 2 and Public hearing transcript, Cairns, 9 June 2022, p 3.

⁷ Commonwealth Government, Hon. Warren Truss MP, Deputy Prime Minister, Minister for Infrastructure and Regional Development and Warren Entsch MP, 'Funding Flows to Cape York', joint media release, 16 January 2014, https://webarchive.nla.gov.au/awa/20140126041908/http://www.minister.infrastructure.gov.au/wt/releases/2014/January/wt002_2014.aspx

⁸ Commonwealth Government, Hon. Warren Truss MP, Deputy Prime Minister, Minister for Infrastructure and Regional Development and Warren Entsch MP, 'Funding Flows to Cape York', joint media release, 16 January 2014.

⁹ Submission 2, p 8.

¹⁰ Submission 2, p 8.

¹¹ Department of Transport and Main Roads, correspondence, 27 April 2022, p 4.

In 2019, a second stage of the project, referred to as CYRP2, was approved. This covers the period 2019-20 to 2023-24 and has a budget of \$190 million.¹²

In March 2023, DTMR advised that it had developed a Project Proposal Report (PPR) addendum to raise the total funding allocation of the PDR program to \$275.6 million. This proposal would see the Australian Government contribute \$220.5 million and the Queensland Government contribute \$55.1 million to this proposed revised budget. This PPR addendum has been submitted to the Australian Government for approval following the CYRP2 experiencing 'significant, industry-wide cost and resource pressures'.¹³

2.2.1 Cape York Region Package Program Board

A CYRP Project Board was formed to oversee governance of the CYRP. This is a multi-agency board, jointly chaired by representatives from the following Commonwealth and Queensland government departments and agency:

- Department of Infrastructure, Transport, Regional Development and Communications (Commonwealth)
- Department of the Prime Minister and Cabinet (Commonwealth)
- National Indigenous Australians Agency (Commonwealth)
- Department of Transport and Main Roads (Queensland)
- Queensland Treasury (Queensland)
- Department State Development, Infrastructure, Local Government and Planning (Queensland)
- Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships (Queensland).¹⁴

The board has overseen the development of the road infrastructure components of both stages of the CYRP and performs the primary management role relating to key policy, technical and whole-of-government issues associated with the road funding component of CYRP Stage 2.

2.2.2 Indigenous Land Use Agreement

All works on the PDR were carried out under the Peninsula Developmental Road Indigenous Land Use Agreement (ILUA), a partnership established in 2017 between the State of Queensland (represented by DTMR), Traditional Owners (TOs) and the Cape York Land Council (CYLC).¹⁵ The TOs are the representatives of those for and on behalf of the Applicant in the Cape York United Number 1 Claim (QUD673/2014).¹⁶ The CYLC is the Native Title Representative Body (NTRB) for the area, with its primary function being to assist Indigenous people with all aspects of their native title claims.¹⁷

¹² Submission 2, p 9.

¹³ Department of Transport and Main Roads, correspondence, 30 March 2023, p 1.

¹⁴ Department of Transport and Main Roads, correspondence, 27 April 2022, p 3.

¹⁵ Submission 2, p 23 and Public briefing transcript, Brisbane, 28 March 2022, p 2.

¹⁶ Department of Transport and Main Roads, Cape York Region Package: Peninsula Developmental Road Indigenous Land Use Agreement Fact Sheet - September 2017, p 1. See also National Native Title Tribunal, QC2014/008 - Cape York United Number 1 Claim, http://www.nntt.gov.au/searchRegApps/NativeTitleRegisters/Pages/RNTC_details.aspx?NNTT_Fileno=QC2014/008

¹⁷ Queensland Government, Native title representative bodies, <https://www.qld.gov.au/firstnations/environment-land-use-native-title/native-title/native-title-representative-body>

The ILUA sets out key result areas (KRAs) relating to economic opportunities, training and local industry participation, which were built into construction contracts.¹⁸ These KRAs are detailed in Section 3.5 of this report.

In regards to the operation of the ILUA, Mr Terry Piper, Acting Chief Executive Officer, Cape York Land Council advised the committee:

During the ILUA it was recognised that the road needed new alignments, needed to get gravel, needed to get water and a whole range of things, and that it was better to consolidate all of those approvals in one ILUA for the corridor—rather than seek compensation—to have jobs and economic opportunities come from the road. We saw that the real benefits of the road were the long-term jobs and construction opportunities, so we have worked very closely on this with DTMR over the years. There has been cultural heritage and monitoring done, and from my observation there have been fantastic outcomes as far as getting Traditional Owners working on the road and Indigenous businesses engaged on the road.¹⁹

2.3 Location

Cape York covers an area of almost 130,000 square kilometres (approximately 7.3 per cent of the area of Queensland). The PDR spans 527 kilometres from Lakeland in the south to the Rio Tinto Alcan Weipa (RTAW) lease boundary (about 42 kilometres from the town of Weipa) in the north. The PDR passes through the towns of Laura and Coen and connects with local roads that link to other Far North Queensland towns and communities such as Weipa, Cooktown and Bamaga.

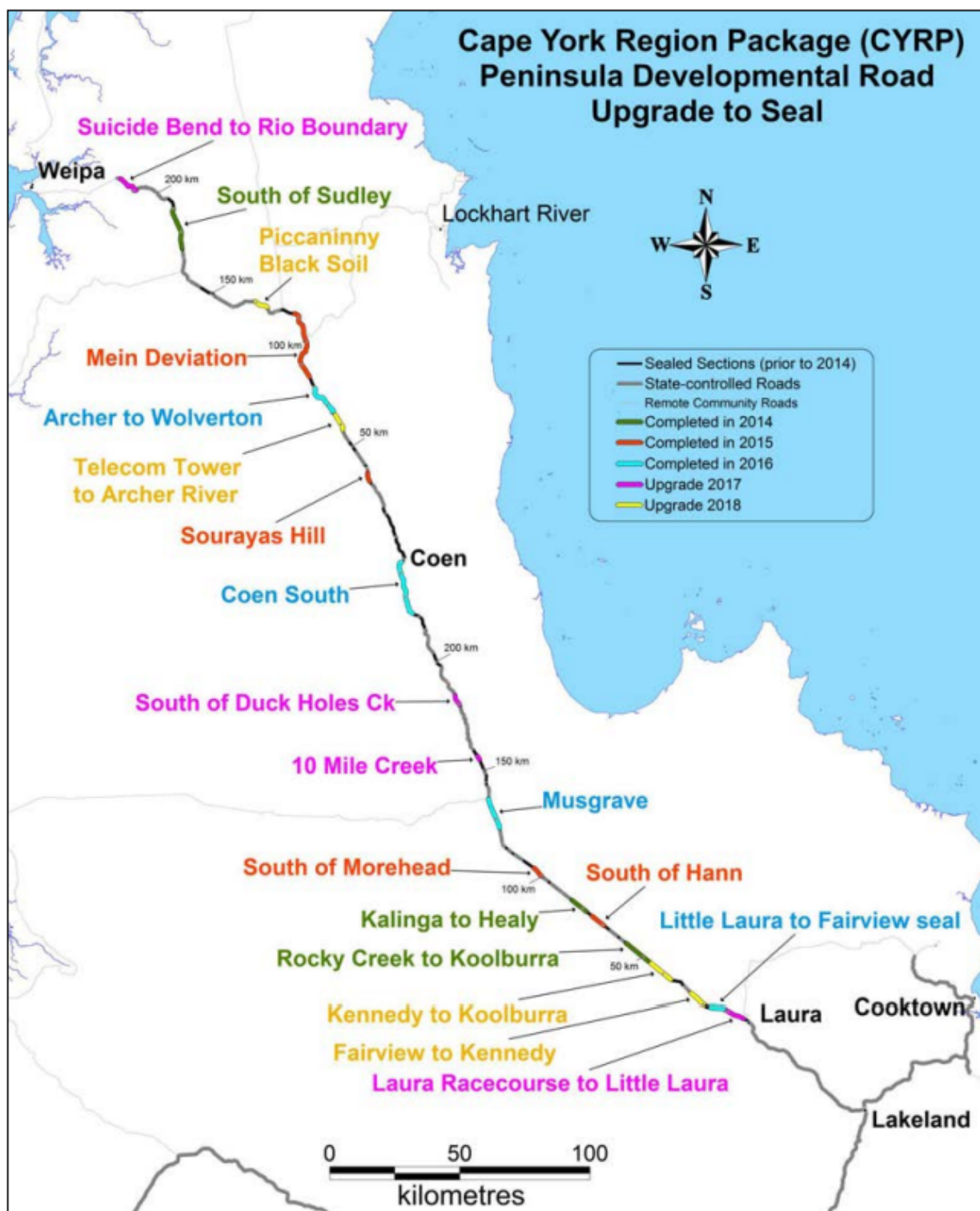
The PDR is located primarily on relatively flat terrain and is impacted by regular extreme climatic conditions such as floods and drought.²⁰ Maps noting the PDR projects contained within CYRP1 and CYRP2 are contained on the following pages.

¹⁸ Submission 2, p 25.

¹⁹ Public hearing transcript, Cairns, 9 June 2022, p 2.

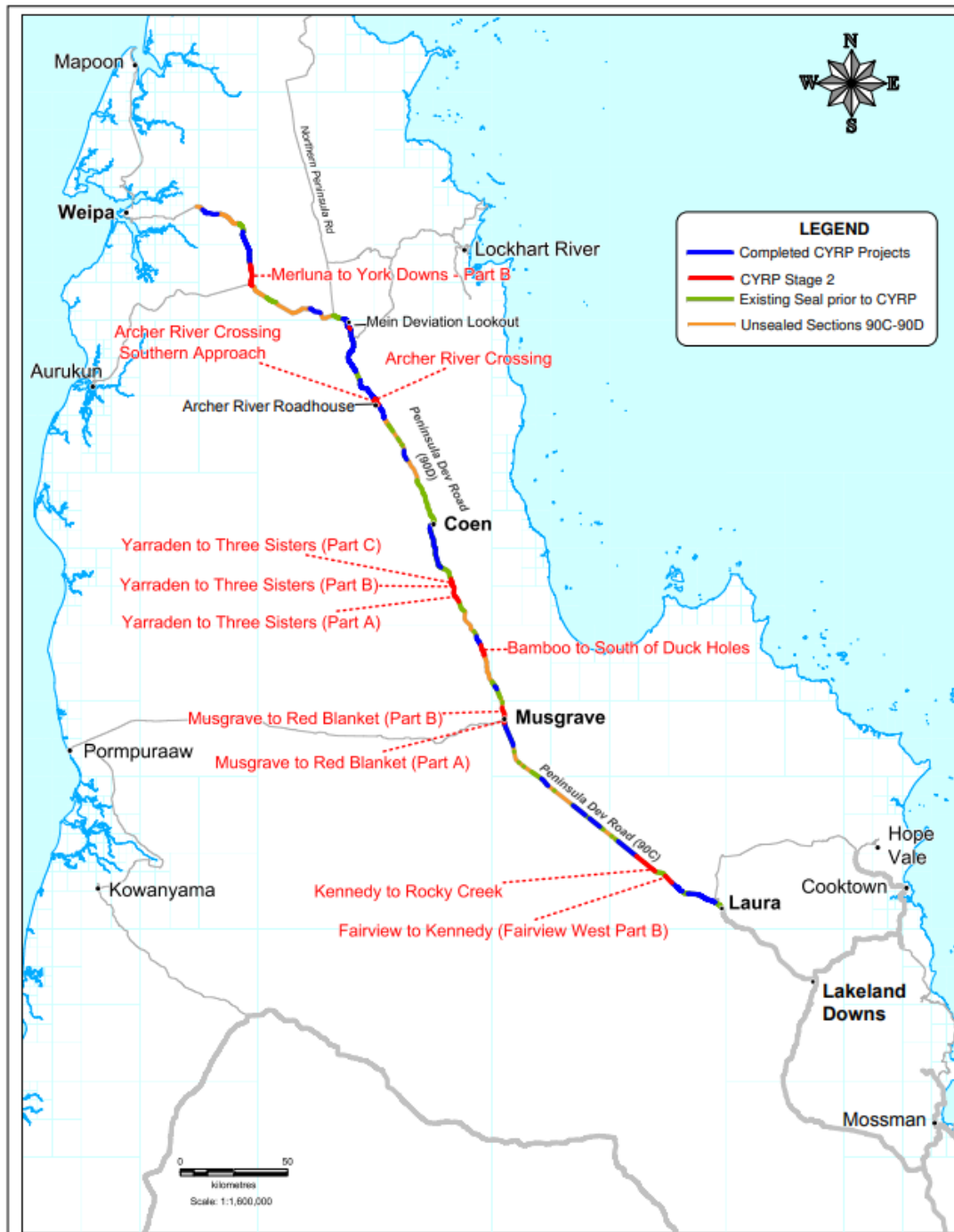
²⁰ Submission 2, p 124.

Map 1: Locality map of the Peninsula Developmental Road projects under the Cape York Region Package 1 (2014 to 2019) ²¹



²¹ Submission 2, p 291.

Map 2: Locality map of the Peninsula Development Road projects under the Cape York Region Package 2 (2019 to 2024) ²²



²² Public briefing, Brisbane, 28 March 2022, Tabled paper, <https://documents.parliament.qld.gov.au/com/TRC-645B/IPDRLW-6E36/Director-General,%20Department%20of%20Transport%20and%20Main%20Roads.pdf>
 Note: A revised CYRP2 plan submitted by DTMR to the Australian Government has proposed removing three projects shown in Map 2 above from the CYRP Stage 2 PDR program and reprioritising them for inclusion in a potential future works program. The three projects proposed for this delay are: Yarraden to Three Sisters (Part B); Yarraden to Three Sisters (Part C); and Bamboo to south of Duck Holes (Part D). This proposal also includes introducing a new project, Koolburra to South of Hahn (Part A) and completing preconstruction for the revised program into CYRP2. (Department of Transport and Main Roads, correspondence, 30 March 2023, p 3.)

2.4 Project financing and budget

The CYRP1 and CYRP2 projects each had an 80:20 funding arrangement between the Commonwealth and Queensland governments - that is, the Queensland government contributed 20% of the budget. The total budget for CYRP1 was \$276 million with the total program of approved works for CYRP2 being budgeted at \$190 million.²³ The table below details the funding arrangements for CYRP1 and CYRP2 with the respective contributions from the Commonwealth and Queensland Governments.

Table 1: Commonwealth and Queensland Government budget contributions to CYRP1 and CYRP2²⁴

PDR works	Commonwealth Government	Queensland Government	Total package
CYRP1	\$223.9 million	\$ 52.1 million	\$276 million
CYRP2 ²⁵	\$152 million	\$ 36 million	\$190 million

In regards to the Queensland Government's contributions to the PDR budget, the table below contains information from state budget capital statements for each of the nine years of the project to date.

Table 2: Queensland state budget allocations for the PDR from 2014-15 to 2022-23

Budget	Total estimated cost \$'000	Expenditure to end financial year \$'000	Budgeted amount \$'000	Post budget year \$'000
2014-15 ²⁶	10,000	1,950	8,500	
2015-16 ²⁷	35,153	3,687	31,466	
2016-17 ²⁸	60,460	7,564	39,035	13,871
2017-18 ²⁹	72,023	32,973	35,398	3,652
2018-19 ³⁰	37,576	11,972	25,604	
2019-20 ³¹	20,500	5,992	14,508	
2020-21 ³²	25,879	637	20,293	4,949
2021-22 ³³	32,351	1,280	9,000	22,071
2022-23 ³⁴	105,393	29,012	41,783	34,598

²³ Submission 2, p 8.

²⁴ Department of Transport and Main Roads, correspondence, 16 February 2022, p 6, and Department of Transport and Main Roads, Cape York Region Package, <https://www.tmr.qld.gov.au/projects/cape-york-region-package>

²⁵ Details of proposed budget increases for CYRP2 are noted in Section 2.5.1 of this report.

²⁶ Queensland Government, State Budget 2014-15, Capital Statement - Budget Paper No. 3, p 108.

²⁷ Queensland Government, State Budget 2015-16, Capital Statement - Budget Paper No. 3, p 117, (figures were presented as 2 separate projects).

²⁸ Queensland Government, State Budget 2016-17, Capital Statement - Budget Paper No. 3, p 126, (figures were presented as 4 separate projects).

²⁹ Queensland Government, State Budget 2017-18, Capital Statement - Budget Paper No. 3, p 125, (figures were presented as 5 separate projects).

³⁰ Queensland Government, State Budget 2018-19, Capital Statement - Budget Paper No. 3, pp 126-127, (figures were presented as 4 separate projects).

³¹ Queensland Government, State Budget 2019-20, Capital Statement - Budget Paper No. 3, p 124.

³² Queensland Government, State Budget 2020-21, Capital Statement - Budget Paper No. 3, p 89.

³³ Queensland Government, State Budget 2021-22, Capital Statement - Budget Paper No. 3, p 120.

³⁴ Queensland Government, State Budget 2022-23, Capital Statement - Budget Paper No. 3, p 125, (figures were presented as 5 separate projects).

2.4.1 Queensland Transport and Roads Investment Program budget allocations

As well as the above budget details contained in the annual Capital Statement, budgets and annual updates on the project have also been detailed in Queensland Transport and Roads Investment Program (QTRIP) reports. QTRIP reports are published annually by DTMR and outline the current transport and road projects that the Queensland Government plans to deliver over the following 4 years. The relevant details from each of the past nine QTRIP reports are presented in the nine tables below.

DTMR advised the committee that PDR projects have been published as individual line items in the QTRIP reports as guidelines state that 'all investments with a total investment cost of \$600,000 or greater with budgets in Years 1 and/or 2 are to be published as individual line items in the QTRIP publication'.³⁵

2.4.2.1 QTRIP 2014-15 to 2017-18

The QTRIP 2014-15 to 2017-18 report identified that sealing of a 9 kilometre section of the PDR between Rocky Creek and Koolburra was to be completed in 2014-15 and future plans included development of a strategy to seal the PDR from Laura to Weipa.³⁶

The table below shows financial details of the PDR projects that were included in the QTRIP 2014-15 to 2017-18 document. At that early stage of the project, only funding for 2014-15 had been approved.³⁷

Table 3: PDR project details in QTRIP 2014-15 to 2017-18

Project name / Location	Work description	Indicative total cost \$'000	Estimated expenditure to 30 June 2014 \$'000	Approved \$'000
				2014-15
Laura - Coen	Construct to sealed standard	6,000	900	5,100
Laura - Coen	Rehabilitate bridge/s and culvert/s	1,654	1,229	425
Coen - Weipa	Construct to sealed standard	3,000	900	2,100
Coen - Weipa	Rehabilitate bridge/s and culvert/s	1,342	596	746
Peninsula Developmental Road	Construct to sealed standard	1,000	150	850

³⁵ Department of Transport and Main Roads, correspondence, 27 April 2022, p 1.

³⁶ Queensland Government, Queensland Transport and Roads Investment Program 2014-15 to 2017-18, pp 129-130.

³⁷ Queensland Government, Queensland Transport and Roads Investment Program 2014-15 to 2017-18, pp 133-134.

2.4.1.2 QTRIP 2015-16 to 2018-19

The QTRIP 2015-16 to 2018-19 report identified that:

- sealing of a 34 kilometre section of the PDR between Rocky Creek and Koolburra, south of Sudley and Kalinga to Healys, was completed in 2014-15
- in 2015-16 it was planned to commence widening and sealing of various sections of the Gulf Developmental Road between Croydon and Georgetown, near Forsayth
- there were future plans to continue to undertake planning to extend bitumen sealing works on the PDR between Laura and Weipa.³⁸

The table below shows financial details of the PDR projects that were included in the QTRIP 2015-16 to 2018-19 document.³⁹

Table 4: PDR project details in QTRIP 2015-16 to 2018-19

Project name / Location	Work description	Indicative total cost \$'000	Estimated expenditure to 30 June 2015 \$'000	Approved \$'000	
				2015-16	2016-17
Laura - Coen	Pave and seal	8,483	483	8,000	
Laura - Coen	Pave and seal	1,365	270	1,095	
Laura - Coen	Pave and seal	21,661	100	2,061	19,500
Laura - Coen	Pave and seal	13,907	100	1,157	12,650
Laura - Coen	Re-sheet unsealed road	4,225	1,526	2,699	
Laura - Coen	Pave and seal	4,860	360	4,500	
Coen - Weipa	Pave and seal	5827	287	5,540	
Coen - Weipa	Pave and seal	29,326	3,400	25,926	
Coen - Weipa	Pave and seal	17,483	10	1,473	16,000
Coen - Weipa	Pave and seal	7,409	10	499	6,900
PDR Sealing	Undertake transport project planning	3,760	470	2,290	1,000

2.4.1.3 QTRIP 2016-17 to 2019-20

The QTRIP 2016-17 to 2019-20 report identified that:

- in 2015-16, paving and sealing of sections of the PDR was completed at Mein Deviation, south of Hann River, Sourayas Hill and south of Morehead River
- in 2016-17 it was planned to complete paving and sealing sections at Coen South, Musgrave, between Archer and Wolverton, and between Little Laura and Fairview

³⁸ Queensland Government, Queensland Transport and Roads Investment Program 2015-16 to 2018-19, p 135.

³⁹ Queensland Government, Queensland Transport and Roads Investment Program 2015-16 to 2018-19, p 139.

- future plans included to continue planning to extend bitumen sealing and upgrade infrastructure between Laura and Weipa.⁴⁰

The table below shows financial details of the PDR projects that were included in the QTRIP 2016-17 to 2019-20 document.⁴¹

Table 5: PDR project details in QTRIP 2016-17 to 2019-20

Project name / Location	Work description	Indicative total cost \$'000	Estimated expenditure to 30 June 2016 \$'000	Approved \$'000		Indicative \$'000
				2016-17	2017-18	
Laura - Coen	Pave and seal	21,661	2,860	12,901	5,900	
Laura - Coen	Pave and seal	13,907	3,387	7,857	2,663	
Laura - Coen	Pave and seal	12,698		540	9,524	2,635
Laura - Coen	Pave and seal	19,832			7,874	11,958
Laura - Coen	Pave and seal	17,243			7,932	9,311
Laura - Coen	Pave and seal	11,770			3,827	7,942
Laura - Coen	Pave and seal	4,559			3,419	1,140
Coen - Weipa	Pave and seal	17,483	967	13,169	3,347	
Coen - Weipa	Pave and seal	7,409	340	5,108	1,961	
PDR Sealing Planning	Undertake transport project planning	2,738	435	1,303	1,000	

2.4.1.4 QTRIP 2017-18 to 2020-21

The QTRIP 2017-18 to 2020-21 report identified that:

- in 2016-17, sections of the PDR were sealed at Musgrave, and between Little Laura River and Fairview Station
- in 2017-18 it was planned to complete paving and sealing of sections of the PDR at Coen South and from Archer to Wolverton, and to continue to pave and seal sections from Laura Race Course to Little Laura, 10 Mile Creek, South of Duck Holes Creek and Myall Creek to Rio Boundary
- future plans were to continue planning to complete the bitumen sealing and upgrade infrastructure between Laura and Weipa.⁴²

⁴⁰ Queensland Government, Queensland Transport and Roads Investment Program 2016-17 to 2019-20, pp 163-164.

⁴¹ Queensland Government, Queensland Transport and Roads Investment Program 2016-17 to 2019-20, p 167.

⁴² Queensland Government, Queensland Transport and Roads Investment Program 2017-18 to 2020-21, pp 201-202.

The table below shows financial details of the PDR projects that were included in the QTRIP 2017-18 to 2020-21 document.⁴³

Table 6: PDR project details in QTRIP 2017-18 to 2020-21

Project name/Location	Work description	Indicative total cost \$'000	Estimated expenditure to 30 June 2017 \$'000	Approved \$'000		Indicative \$'000
				2017-18	2018-19	2019-20 to 2020-21
Coen - Weipa	Pave and seal	20,000	12,133	7,391	476	
Coen - Weipa	Pave and seal	12,100	1,438	9,851	811	
Coen - Weipa	Undertake transport project planning	630	180	450		
Coen - Weipa	Pave and seal	11,500	330	430	10,740	
Coen - Weipa	Pave and seal	7,600	249	350	7,001	
Laura - Coen	Pave and seal	22,925	17,552	4,944	429	
Laura - Coen	Pave and seal	11,066	1,551	150	9,365	
Laura - Coen	Pave and seal	10,698	1,307	8,655	737	
Laura - Coen	Pave and seal	3,300	219	2,775	306	
Laura - Coen	Pave and seal	6,300	543	4,557		1,200
Laura - Coen	Undertake transport project planning	4,441	771	1,308	2,363	

2.4.1.5 QTRIP 2018-19 to 2021-22

The QTRIP 2018-19 to 2021-22 report identified that:

- in 2017-18, paving and sealing priority sections of the PDR was completed
- plans for 2018-19 included to continue paving and sealing sections of the PDR between Telecom Tower and Archer River, Fairview West Part A, South of Duckholes, 10 Mile Creek, Myall Creek to Rio Boundary and at Piccaninny Black Soil.⁴⁴

The table below shows financial details of the PDR projects that were included in the QTRIP 2018-19 to 2021-22 document.⁴⁵

⁴³ Queensland Government, Queensland Transport and Roads Investment Program 2017-18 to 2020-21, pp 207-208.

⁴⁴ Queensland Government, Queensland Transport and Roads Investment Program 2018-19 to 2021-22, p 183.

⁴⁵ Queensland Government, Queensland Transport and Roads Investment Program 2018-19 to 2021-22, p 188.

Table 7: PDR project details in QTRIP 2018-19 to 2021-22

Project name / Location	Work description	Indicative total cost \$'000	Estimated expenditure to 30 June 2018 \$'000	Approved \$'000
				2018-19
Coen - Weipa	Undertake transport project planning	1,130	630	500
Coen - Weipa	Pave and seal	11,400	1,593	9,807
Coen - Weipa	Pave and seal	8,906	2,048	6,858
Laura - Coen	Pave and seal	3,671	1,649	2,023
Laura - Coen	Pave and seal	6,730	4,112	2,618
Laura - Coen	Pave and seal	10,540	4,219	6,321
Laura - Weipa	Undertake transport project planning	4,133	2,598	1,535

2.4.1.6 QTRIP 2019-20 to 2022-23

The QTRIP 2019-20 to 2022-23 report identified that:

- in 2018-19, upgrade works at priority locations on the PDR, including Piccaninny Black Soil, South Duck Holes and 10 Mile Creek, were completed
- plans for 2019-20 included to continue paving and sealing sections of the PDR between Telecom Tower and Archer River, and Fairview West (part A).⁴⁶

The table below shows financial details of the PDR projects that were included in the QTRIP 2019-20 to 2022-23 document.⁴⁷

Table 8: PDR project details in QTRIP 2019-20 to 2022-23

Project name/Location	Work description	Indicative total cost \$'000	Estimated expenditure to 30 June 2019 \$'000	Approved \$'000	
				2019-20	2020-21
PDR Various locations	Undertake transport project planning	4,133	3,633	500	
Coen - Weipa (stage 2)	Pave and seal	20,500	5,992	14,508	
Lakeland - Laura	Install/replace rest areas, stopping places and pull over areas	250		150	100
Laura - Coen	Pave and seal	10,800	8,588	2,212	

⁴⁶ Queensland Government, Queensland Transport and Roads Investment Program 2019-20 to 2022-23, p 209.

⁴⁷ Queensland Government, Queensland Transport and Roads Investment Program 2019-20 to 2022-23, p 216.

2.4.1.7 QTRIP 2020-21 to 2023-24

The QTRIP 2020-21 to 2023-24 report identified that:

- in 2019-20, paving and sealing sections of the PDR at Telecom Tower and Archer River, and Fairview West (part A) was completed
- plans for 2020-21 included to continue paving and sealing sections of the PDR from Kennedy to Rocky Creek and Fairview West (Part B).⁴⁸

The table below shows financial details of the PDR projects that were included in the QTRIP 2020-21 to 2023-24 document.⁴⁹

Table 9: PDR project details in QTRIP 2020-21 to 2023-24

Investment name	Indicative total cost \$'000	Estimated expenditure to 30 June 2020 \$'000	Approved \$'000		Indicative \$'000
			2020-21	2021-22	2022-23 to 2023-24
Coen - Weipa, Archer River Crossing southern approach, pave and seal	11,163	59	191	8,800	2,113
Coen - Weipa, Archer River Crossing, pave and seal	32,351	72	1,208	13,650	17,421
Coen - Weipa, Merluna to York Downs, pave and seal	17,228	389	2,021	12,730	2,088
Lakeland - Laura, Agnarra Campground, install sealed pullover area	250		250		
Laura - Coen, Bamboo to south of Duck Holes, pave and seal	14,902	27	73	720	14,082
Laura - Coen, Fairview West (Part B), pave and seal	7,597	125	7,472		
Laura - Coen, Kennedy to Rocky Creek, pave and seal	25,879	637	20,293	4,949	
Laura - Coen, Musgrave to Red Blanket (Part A), pave and seal	18,223	198	4,132	12,993	900
Laura - Coen, Musgrave to Red Blanket (Part B), pave and seal	10,790	223	217	2,200	8,150
Laura - Coen, Yarraden to Three Sisters (Part A), pave and seal	17,184	26	254	370	16,534
Laura - Coen, Yarraden to Three Sisters (Part B), pave and seal	15,690	8	662	1,940	13,080
Laura - Coen, Yarraden to Three Sisters (Part C), pave and seal	10,370	7	313	320	9,730

⁴⁸ Queensland Government, Queensland Transport and Roads Investment Program 2020-21 to 2023-24, p 159.

⁴⁹ Queensland Government, Queensland Transport and Roads Investment Program 2020-21 to 2023-24, p 163.

2.4.1.8 QTRIP 2021-22 to 2024-25

The QTRIP 2021-22 to 2024-25 report identified that:

- paving and sealing of sections of the PDR at Fairview (Part B) was completed in 2020-21
- plans for 2021-22 included to commence paving and sealing sections between Merluna to York Downs and Musgrave to Red Blanket (Part A) and to complete paving and sealing sections of between Kennedy and Rocky Creek.⁵⁰

The department advised that the projects above 'all achieved practical completion' and that:

- Completion of Musgrave to Red Blanket (Part A) in August 2022 marked a significant milestone for CYRP Stage 2, with construction of the first bridge to be built on the PDR under CYRP and CYRP Stage 2
- Completion of Merluna to York Downs (Part B) in September 2022 achieved the milestone of 200 kilometres of seal completed on the PDR since the start of CYRP.⁵¹

The table below shows financial details of the PDR projects that were included in the QTRIP 2021-22 to 2024-25 document.⁵²

Table 10: PDR project details in QTRIP 2021-22 to 2024-25

Investment name	Indicative total cost \$'000	Estimated expenditure to 30 June 2021 \$'000	Approved \$'000		Indicative \$'000
			2021-22	2022-23	
					2023-24 to 2024-25
Coen - Weipa, Archer River Crossing southern approach, pave and seal	11,163	250	7,800	2,113	1,000
Coen - Weipa, Archer River Crossing, construct bridge	32,351	1,280	9,000	15,000	7,071
Coen - Weipa, Merluna to York Downs, pave and seal	17,228	2,410	10,730	2,088	2,000
Laura - Coen, Bamboo to south of Duck Holes, pave and seal	14,602	100	380	274	13,848
Laura - Coen, Musgrave to Red Blanket (Part A), pave and seal	18,223	4,330	10,888	900	2,105
Laura - Coen, Musgrave to Red Blanket (Part B), pave and seal	10,790	440	2,200	8,150	
Laura - Coen, Yarraden to Three Sisters (Part A), pave and seal	17,184	280	370	5,030	11,504
Laura - Coen, Yarraden to Three Sisters (Part B), pave and seal	15,690	670	1,940	11,080	2,000
Laura - Coen, Yarraden to Three Sisters (Part C), pave and seal	10,370	320	320	4,000	5,730

⁵⁰ Queensland Government, Queensland Transport and Roads Investment Program 2021-22 to 2024-25, p 143.

⁵¹ Department of Transport and Main Roads, correspondence, 30 March 2023, p 3.

⁵² Queensland Government, Queensland Transport and Roads Investment Program 2021-22 to 2024-25, pp 146-147.

2.4.1.9 QTRIP 2022-23 to 2025-26

The QTRIP 2022-23 to 2025-26 report states that among the program highlights for the Far North region is:

- \$237.5 million Cape York Region Package Stage 2, including \$44.9 million Peninsula Developmental Road, Archer River Crossing construct bridge (jointly funded with the Australian Government).⁵³

The table below shows financial details of the PDR projects that were included in the QTRIP 2022-23 to 2025-26 document.⁵⁴

Table 11: PDR project details in QTRIP 2022-23 to 2025-26

Investment name	Indicative total cost \$'000	Estimated expenditure to 30 June 2022 \$'000	Approved \$'000		Indicative \$'000
			2022-23	2023-24	2024-25 to 2025-26
Coen - Weipa, Archer River Crossing southern approach, pave and seal	11,462	3,550	5,113	2,800	
Coen - Weipa, Archer River Crossing, construct bridge	44,867	5,107	25,308	7,851	6,600
Coen - Weipa, Merluna to York Downs, pave and seal	20,350	16,825	2,215	20	1,290
Laura - Coen, 2021 Disaster Recovery Funding Arrangements reconstruction works	987	99	688	200	
Laura - Coen, Musgrave to Red Blanket (Part A), pave and seal	21,753	18,720	1,761	72	1,200
Laura - Coen, Musgrave to Red Blanket (Part B), pave and seal	11,073	2,423	4,053	2,000	2,597
Laura - Coen, Yarraden to Three Sisters (Part A), pave and seal	17,641	1,107	5,094	9,909	1,530
Laura - Coen, Yarraden to Three Sisters (Part B), pave and seal	16,099	1,730	10	11,959	2,400
Laura - Coen, Yarraden to Three Sisters (Part C), pave and seal	10,655	867	431	5,730	3,626

⁵³ Queensland Government, Queensland Transport and Roads Investment Program 2022-23 to 2025-26, p 116.

⁵⁴ Queensland Government, Queensland Transport and Roads Investment Program 2022-23 to 2025-26, pp 118-119.

2.5 Project time frames

Detailed below are all projects for works within CYRP1 and CYRP2, the primary construction year and the status of each project.

Table 12: Time frames for PDR projects⁵⁵

Project Name	Program	Construction Time Frame	Status
Rocky Creek to Koolburra	CYRP1	2014	Complete
South of Sudley	CYRP1	2014	Complete
Kalinga to Healy's	CYRP1	2014	Complete
South of Hann River	CYRP1	2015	Complete
Sourayas Hill	CYRP1	2015	Complete
South of Morehead River	CYRP1	2015	Complete
Mein Deviation	CYRP1	2015-2016	Complete
Musgrave	CYRP1	2016	Complete
Archer to Wolverton	CYRP1	2016-2017	Complete
Coen South	CYRP1	2016-2017	Complete
Laura Racecourse to Fairview	CYRP1	2016-2017	Complete
Laura Racecourse to Little Laura	CYRP1	2017-2018	Complete
Rio Tinto Boundary	CYRP1	2017-2018	Complete
10 Mile Creek (Stage 2)	CYRP1	2017-2018	Complete
South of Duck Holes Creek (Stage 2)	CYRP1	2017-2018	Complete
Telecom Tower to Archer River	CYRP1	2018-2019	Complete
Fairview West Part A	CYRP1	2018-2019	Complete
Piccaninny, Black Soil (Stage 2)	CYRP1	2018-2019	Complete
Fairview West (Part B)	CYRP2	2020-2021	Complete
Kennedy to Rocky Creek	CYRP2	2020-2021	Complete
Musgrave to Red Blanket – Part A	CYRP2	2021-2022	Complete
Merluna to York Downs – Part B	CYRP2	2021-2022	Complete
Archer River Crossing Southern Approach	CYRP2	2021-2022	Under construction

⁵⁵ Department of Transport and Main Roads, correspondences, 16 February 2022, p 7 and 30 March 2023, p 7.

Archer River Crossing	CYRP2	2022-2023	Under construction
Bamboo to South of Duck Holes*	CYRP2	2022-2023	In design
Yarraden to Three Sisters – Part A	CYRP2	2023-2024	Tenders closed; construction expected to commence 2023
Yarraden to Three Sisters – Part B*	CYRP2	2024	Design complete
Yarraden to Three Sisters – Part C*	CYRP2	2024	Design complete
Musgrave to Red Blanket – Part B	CYRP2	2023	Construction expected to commence 2023

* Note: DTMR have proposed to the Australian Government that completion of these three projects be delayed. (See section 2.5.1 below).

2.5.1 Time frame status of current and future CYRP2 projects

The department provided the committee with an update on the status of ongoing and planned projects, noting 'Like many other infrastructure programs across Australia, CYRP Stage 2 is experiencing significant, industry-wide cost and resource pressures.'⁵⁶ DTMR advised that 'the Archer River Crossing and Archer River Crossing Southern Approach projects are experiencing difficulties in procuring key resources, managing significant site risks and higher tender prices' and that:

- As a direct consequence of these pressures, the original programmed completion date for Archer River Crossing and Archer River Crossing Southern Approach Projects has not been met.
- Archer River Crossing Southern Approach project was awarded to Decmil Southern in September 2021.
- On 9 March 2023, TMR and Decmil signed a Deed of Settlement mutually agreeing to terminate the contract.
- TMR will re-advertise the tender for project completion after the 2022 – 2023 wet season, with a view to completing the project in late 2023.
- The Archer River Crossing project has also experienced geological challenges. To overcome these challenges, TMR made changes to design and construction methodology, which has resulted in time and cost increases.
- Additional funding is required to complete the Archer River Crossing and Archer River Crossing Southern Approach projects.
- In 2022, the Australian and Queensland governments announced a further \$85.63 million towards Cooktown to Weipa Corridor Upgrade Future Priorities, also based on 80:20 (federal:state) funding arrangements under the Roads of Strategic Importance (ROSI) program.
- As CYRP Stage 2 is jointly funded by the Australian and Queensland governments under the ROSI program, TMR has developed a Project Proposal Report (PPR) addendum that has been submitted to the Australian Government for approval.
- The PPR addendum requests full allocation of the Future Priorities funding towards the PDR component of CYRP Stage 2.
- If approved, it would raise the total funding allocation of the PDR program to \$275.6 million, with the Australian Government contributing \$220.5 million and the Queensland Government contributing \$55.1 million.

⁵⁶ Department of Transport and Main Roads, correspondence, 30 March 2023, p 1.

- If the PPR addendum is approved, TMR will:
 - deliver the Archer River Crossing and Archer River Crossing Southern Approach projects
 - deliver the full scope of Musgrave to Red Blanket (Part B) project
 - deliver Yarraden to Three Sisters (Part A) project
 - remove three projects from the CYRP Stage 2 PDR program and reprioritise them for inclusion in potential future works program:
 - Yarraden to Three Sisters (Part B)
 - Yarraden to Three Sisters (Part C)
 - Bamboo to south of Duck Holes (Part D)
 - introduce a new project, Koolburra to South of Hahn (Part A); and
 - complete preconstruction for the revised program.
- Expected completion of the revised scope of CYRP Stage 2 is 2026.⁵⁷

3 Terms of reference

3.1 Purpose of the work and suitability of the work for its purpose

DTMR advised that the primary objectives of upgrading the PDR were to:

- minimise the time of closure during the wet season (which occurs generally from December to April, but can extend to July), and
- seal as much of the road as possible to reduce high maintenance costs and improve network resilience.⁵⁸

The functional requirements of the CYRP projects in order to achieve the above objectives included:

- raising the existing road formation above the natural ground level and reshaping, where necessary
- re-profiling the existing formation to improve safety and increase design speed
- paving and sealing the road to a two-lane, two-way standard with low-cost easily maintained pavements
- improving drainage (floodways and culverts)
- upgrading of bridges and culverts
- completing associated works, such as relocating/reconstructing private accesses, line marking and delineation.⁵⁹

The department advised that broader purposes of the works were to:

... significantly improve connectivity to communities and economic centres in the region, reduce ongoing maintenance expenditure on former unsealed sections which typically require reconstruction every three to five years, and allow the road to be opened to traffic much sooner following either prolonged wet weather or cyclonic events.⁶⁰

⁵⁷ Department of Transport and Main Roads, correspondence, 30 March 2023, pp 1-3.

⁵⁸ Submission 2, p 14.

⁵⁹ Submission 2, p 17.

⁶⁰ Department of Transport and Main Roads, correspondence, 16 February 2022, p 10.

3.1.1 Alignment with Asset Strategic Plan and Service Delivery Plan

The Department's Transport Infrastructure Asset Management Policy (TIAM) outlines:

- how TMR will manage the state transport infrastructure assets sustainably over the long term
- TMR's approach to asset management, and
- how transport investments will be maximised to ensure Queenslanders receive value for money.⁶¹

The Department advised that CYRP1, CYRP2 and future stages of the project align with the objectives of the TIAM, which is to set the direction and framework, managing reporting and review and management plans required for infrastructure asset sustainability.⁶² The Department further advised how CYRP1 and CYRP2 also both contribute to the State Government objectives and TMR's Service Delivery Plan. They submitted:

By upgrading key access roads to improve access and better withstand severe weather conditions CYRP contributes to the following benefits measurable by TMR:

- reducing the number and duration of closure of localised road links due to flooding and saturation of unsealed sections by up to 20%
- reducing the cost of maintaining unsealed sections of road by up to 50% thereby releasing limited maintenance funds to facilitate an improvement to remaining unsealed sections
- increasing the efficiency and reliability of heavy vehicle movements in localised sealed areas through reduced travel times, vehicle maintenance costs and periods the road is closed
- improving road safety through elimination of dust once road is sealed providing increased frequency of safe overtaking opportunities resulting in fewer accidents caused by poor road conditions
- reducing travel time between Laura and Weipa by up to one hour depending on road conditions
- improvement to TMR reputation across the community and stakeholders as measured through surveys
- providing enhanced economic opportunities for indigenous and non-indigenous businesses on Cape York as measured through the Key Result Areas (KRAs).⁶³

3.2 Necessity for and the advisability of, the work

As noted above, the PDR has traditionally been cut and damaged during each wet season, for up to 80 days a year. Some of the difficulties that remote communities of Cape York face with these annual wet season road closures are (including, but not limited to):

- lack of connectivity
- isolation
- reduction in industry, hindering economic outputs
- food, petrol, and other living provisions require stockpiling, with food needing to be frozen

⁶¹ Department of Transport and Main Roads, correspondence, 16 February 2022, p 10.

⁶² Submission 2, p 14.

⁶³ Submission 2, p 15.

- lack of fresh produce
- in the event of natural disasters, the communities are extremely difficult to access
- in the event of a serious illness or need for hospital services, patients need to be airlifted
- some communities have to use barge services to import necessities (should they have adequate facilities to do so), with a long lead time for delivery of goods
- land locked communities (such as Coen) occasionally rely on emergency supplies of petroleum for electricity generation during extended wet seasons.⁶⁴

DTMR added:

There are significant access restrictions due to annual road closures. Ongoing re-opening and maintenance costs due to the need to repair the PDR following flooding and to otherwise maintain the road to a minimum safe standard. This, combined with natural disaster restoration works, costs (on average) more than \$24m a year. Road damage is also exacerbated by road trains, especially when the existing road formation is flooded. Improving the flood immunity of the road and paving and sealing the road (including installing/improving drainage) will reduce ongoing re-opening and maintenance costs.

When the PDR is open in the dry season, travel time is slow due to design deficiencies, roughness, rutting, corrugation and the surface deteriorating to bull-dust. This reduces safety and leads to higher vehicle operating costs which, in turn, contributes to higher road freight transportation costs for remote Cape York communities. As with the PDR, local roads also suffer from design deficiencies, roughness, rutting, corrugation and surface deteriorating.⁶⁵

3.2.1 Maintenance responsibilities and costs

The responsibilities for maintenance works on the PDR are:

- Routine maintenance like most state-controlled roads is funded by the Queensland Government
- Routine maintenance on the local government road network is funded by the relevant council
- Following major weather events, the Queensland Government and councils may be eligible for Disaster Recovery Funding Arrangements (DRFA). DRFA is joint Commonwealth and State government funding, providing financial assistance to help communities recover from eligible disasters.⁶⁶

Prior to the CYRP commencing, the annual estimated cost per kilometre of maintenance activities on those sections of the PDR that were proposed to be sealed was \$35,530. This amount was almost double the annual maintenance cost per kilometre for sealed sections of the PDR which was \$18,075. The department noted that, 'This equates to a significant cost burden on government each year for which funds could be better spent by directing towards sealing.'⁶⁷

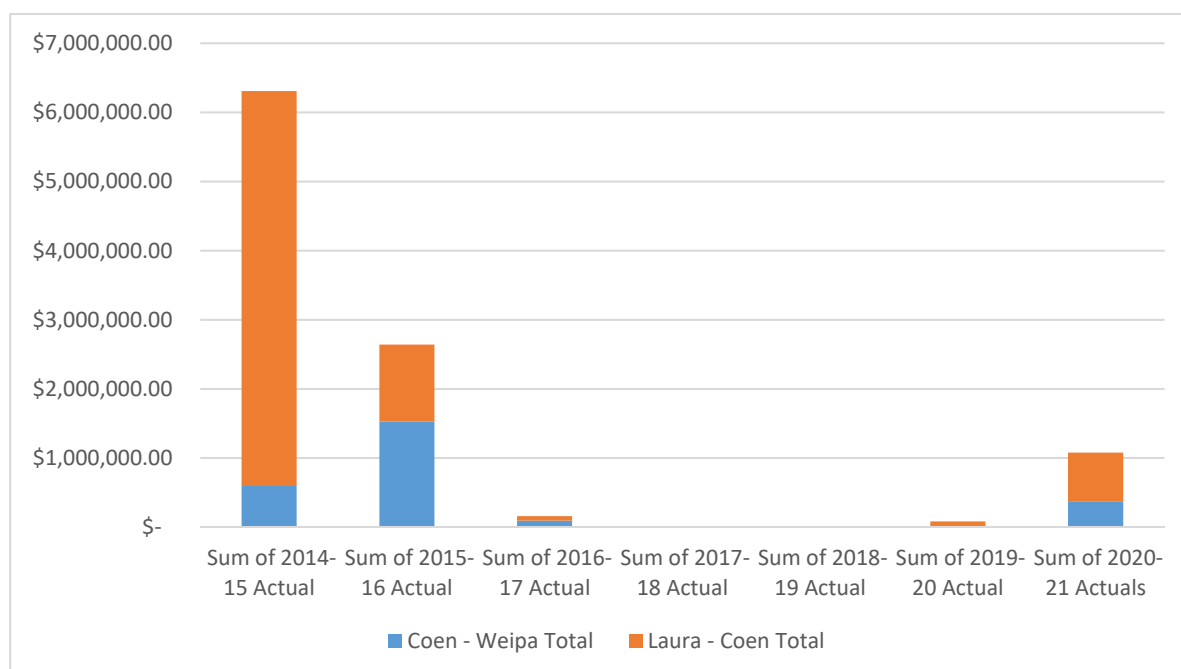
The table below shows the reduction in spend for natural disaster remediation since the start of CYRP works.

⁶⁴ Department of Transport and Main Roads, correspondence, 27 April 2022, p 9.

⁶⁵ Submission 2, p 66.

⁶⁶ Department of Transport and Main Roads, correspondence, 27 April 2022, p 3.

⁶⁷ Submission 2, p 89.

Table 13: Reduction in natural disaster expenditure on the PDR between Laura and Weipa ⁶⁸

3.2.2 Timing of the work

The Cape York region has a six-month dry season with construction works only able to be undertaken during that time. Mr Neil Scales, Director-General, Department of Transport and Main Roads reiterated this point to the committee noting, 'It cuts every year. That is one of the challenges on this particular road: they can only work on it six months of the year, in the dry season.'⁶⁹

DTMR advised:

Projects are configured to be delivered in this time period where possible to avoid costly de-mobilisation and mobilisation costs. Moreover, in a lot of projects TMR has to source suitable gravel reserves and water. In some cases, this involves TMR constructing dams in the dry season which fill during the wet season.⁷⁰

3.3 Value for money achieved by the work

Value for money is the primary principle of the Queensland Procurement Policy (QPP), with the government using a range of frameworks to help ensure value for money outcomes.⁷¹ TMR advised that 'Project delivery for CYRP1 and CYRP2 is in accordance with QPP framework'⁷² and that:

CYRP1 and CYRP2 have achieved great success in meeting these policy principles including, but not limited to:

- providing increased opportunities for trainees
- increased government procurement with Aboriginal and Torres Strait islander businesses

⁶⁸ Submission 2, p 16.

⁶⁹ Public briefing transcript, Brisbane, 28 March 2022, p 2.

⁷⁰ Department of Transport and Main Roads, correspondence, 27 April 2022, p 1.

⁷¹ Submission 2, p 19.

⁷² Submission 2, p 20.

- developing tender packages using various procurement strategies and methods to deliver the best procurement outcome
- ensuring suppliers meet the Ethical Supplier Mandate
- facilitated procurement through common-use supply arrangements to achieve savings and benefits where practical
- utilised strategies to achieve value for money, including the advancement of economic, environmental and social outcomes.⁷³

3.4 Cost of and recurrent costs of the work

The average cost per kilometre of road under CYRP1 was \$1.5 million. The table below provides a detailed breakdown of this calculation showing the figures for each project from Laura to Coen (referred to by TMR as Project number 90C) and Coen to Weipa (which is referred to by TMR as Project number 90D). DTMR added a proviso that ‘these projects for the most part were fairly simple in terms of geometry. This needs to be considered when comparing against other projects within Cape York.’⁷⁴

Table 14: Cost per kilometre of road sealed under CYRP1 from Laura to Coen, and Coen to Weipa⁷⁵

Project location	Road	Start Chainage*	End Chainage	Length Sealed (km)	Year Completed	Project Actuals \$	Cost per km \$
Racecourse to Little Laura	90C	3.11	11.611	8.501	2017	12,857,822.00	1,512,507.00
Little Laura (Laura Racecourse) to Fairview	90C	11.661	16.761	5.1	2016	6,541,299.00	1,282,607.65
Fairview West Part A	90C	19.61	30.58	10.97	2019	10,185,867.00	928,520.24
South of Hann	90C	69.142	75.224	6.082	2015	4,801,679.00	789,490.13
South of Morehead	90C	100	104.384	4.384	2015	4,351,236.00	992,526.46
South of Musgrave	90C	126	138.262	12.262	2016	3,465,486.55	282,620.01
10 Mile Creek	90C	154.052	155.704	1.652	2018	6,826,584.00	4,132,314.77
South of Duck Holes Creek	90C	179.116	183.155	4.039	2018	8,655,429.00	2,142,963.36
Coen South	90C	222.684	244.694	22.01	2017	26,837,298.00	1,219,322.94
Sourayas Hill	90D	33.3	37.82	4.52	2015	4,005,350.00	886,139.38
Telecom Tower to Archer River	90D	55.9	63.2	7.3	2019	21,402,895.00	2,931,903.42
Archer to Wolverton	90D	65.7	79.3	13.6	2017	20,834,571.00	1,531,953.75

⁷³ Submission 2, p 20.

⁷⁴ Department of Transport and Main Roads, correspondence, 27 April 2022, p 17.

⁷⁵ Department of Transport and Main Roads, correspondence, 27 April 2022, p 17.

Mein Deviation	90D	83.933	112.763	28.83	2016	27,968,657.00	970,123.38
Piccaninny Black Soil	90D	125.3	130.92	5.62	2018	8,426,212.00	1,499,325.98
Rio Tinto to Suicide Bend	90D	206.2	215.5	9.3	2018	11,464,015.00	1,232,689.78
Average cost per kilometre of CYRP1							\$1,489,000.55

* Chainages are distance in kilometres from a known point, in this case Laura for 90C and Coen for 90D.

3.5 Public value of the work, including the impact on the community, economy and environment

The department advised that as part of CYRP1 it established partnerships to collaboratively achieve program aims and generate outcomes for reconciliation in Cape York. These partnerships included:

- the PDR Indigenous Land Use Agreement (ILUA)
- an agreement with Torres Cape Indigenous Council Alliance (TCICA) to support affiliated Indigenous councils in identifying and delivering priority community infrastructure upgrades
- CYRP Project Board
- CYRP Taskforce and Sub-working group.⁷⁶

The department stated that these partnerships worked together to develop targets and initiatives that delivered the following outcomes:

- improved access to education, training, employment and business opportunities for Indigenous communities, leading to improved social and economic outcomes throughout the region
- protection of environment, culture, heritage and traditional rights and interests
- innovation of policies and construction delivery models to enhance Indigenous engagement and opportunity and create cultural shifts and generational change.⁷⁷

The department further submitted that tenders for the project included:

- effective training plan for Indigenous and non-Indigenous workers
- proven development and implementation of an effective Indigenous employment opportunities plan
- proven local content
- each contract has included KRAs with penalties should the KRAs not be met, and incentives should they be exceeded.⁷⁸

The KRAs in the project contracts included:

KRA 1 – Indigenous and non-Indigenous training and upskilling

This KRA aims to provide an incentive for the contractor to meet and exceed minimum core training requirements for Indigenous and non-Indigenous apprentices, trainees, cadets, and workers. KRA 1 is based on the Queensland Government Building and Construction Training Policy core training requirements.

⁷⁶ Department of Transport and Main Roads, correspondence, 16 February 2022, p 19.

⁷⁷ Department of Transport and Main Roads, correspondence, 16 February 2022, p 19.

⁷⁸ Department of Transport and Main Roads, correspondence, 16 February 2022, p 21.

Additional Key Performance Indicator (KPI) target ranges apply to levels of engagement of Indigenous workers and, additionally, higher incentives are offered to exceed core training requirements using Indigenous workers. The unit of measurement of this KRA is hours of training and employment.

KRA 2 – Implementation of an Indigenous Economic Opportunities (IEO) Plan

With reference to the Queensland Government Building and Construction Training Policy – Item 7, incentives will apply for the contractor achieving KPI targets within the 'Indigenous business supply opportunities' section in the agreed IEO Overview Plan.

The IEO Plan sets a minimum for agreed outcomes and provides flexibility in order for the economic opportunities associated with the contract to be maximised for local communities.

In 2017 deductions were applied to the contract conditions should contractors not achieve the KPI targets, in order to reinforce the importance placed on this KRA by TMR. The unit of measurement of this KRA is percentage of Contract Direct Cost Amount (CDCA)

KRA 3 – Local Industry Participation

So far as it is economically and technically reasonable and practicable to do so, the contractor is required to give, and shall ensure that its sub-contractors give, local sub-contractors, vendors and suppliers a full, fair and reasonable opportunity to supply labour, services, materials, plant, machinery, equipment and other items for the works.

'Local' is defined as an industry based within Cook Shire and/or mainland Aboriginal Shire Councils or within local government boundaries on Cape York. KRA 3 aims to provide an incentive for the contractor to engage and maximise local industry participation for contract works. The unit of measurement of measurement of this KRA is percentage of CDCA.⁷⁹

In regards to assessing the actual impacts of the project's outcomes, the department submitted:

TMR, in partnership with PricewaterhouseCoopers and Aurecon, has delivered a comprehensive Social, Environmental and Economic Impact Assessment which details the significant benefits and outcomes to the Cape York region through the delivery of CYRP.

Outcomes from the study are expected to support future decisions for upgrades and sealing works of priority infrastructure in Cape York. The outcomes can also be used to support qualitative CYRP outcomes that are not yet effectively measured, in areas such as health, social and community welfare improvements.

TMR will publish the Evaluation Report shortly, and distribute copies to key stakeholders...⁸⁰

3.5.1 Impact of the work on the community

In relation to the impact of work on the community, the committee received information from the department and stakeholders under the themes of 'Education and training' and 'Health and wellbeing'. These points are outlined below.

3.5.1.1 Education and training

The department submitted that 'There have been improvements in levels of non-school qualifications and unemployment levels and an increase in employment as a result of CYRP.'⁸¹ The department also reported that representatives of the Aurukun community had identified that the sealing of the PDR had facilitated:

- increased access to employment opportunities
- upskilling and life skills training in relation to Rio Tinto Alcan Weipa (RTAW)

⁷⁹ Department of Transport and Main Roads, correspondence, 16 February 2022, p 21.

⁸⁰ Department of Transport and Main Roads, correspondence, 30 March 2023, p 5.

⁸¹ Submission 2, p 23.

- the Indigenous Employment Opportunity Program.⁸²

The Cape York Land Council submitted that, 'We applaud the benefits created through the first Cape York regional package, and the outcomes it has achieved. However, there are some areas of concern that have not met TOs' expectations.'⁸³ These concerns were generally related to training and employment and included:

- Training and employment outcomes are not quantifiably measured
- There is no obligation for tender winners to employ Cape York people and TOs
- While traineeships have been offered, very few have been completed and short-term employment opportunities have not materialised into longer-term employment
- TOs have expressed difficulty in having their businesses recognised, particularly with the larger contractors.⁸⁴

The department responded to each of the above concerns from CYLC, with these responses noted below:

- In regards to training outcomes, DTMR advised that 'Monthly reporting from contractors outlining compliance against the Key Result Areas (KRA) enables TMR to quantifiably measure training and employment outcomes'.⁸⁵
- In relation to obligations on tender winners to employ Cape York people and TOs, the department advised 'If the bidders do not commit to meeting the KRAs, there will be no contract.'⁸⁶
- On the concerns about the completion of traineeships and whether they have materialised into longer-term employment, the department advised that it 'does not keep records of the number of traineeships completed'.⁸⁷ However, TMR does record the number of hours that trainees have been employed on projects, and as at 31 December 2021, '200,229 hours of training and upskilling have been recorded over the life of CYRP Stage 1 and CYRP Stage 2.'⁸⁸ TMR also advised that it 'does not keep figures on the number of short-term employment opportunities that have transpired into long-term opportunities, however, there have been instances of individuals starting their own businesses based on the training and upskilling provided to them by the State.'⁸⁹
- In response to TOs having difficulty in having their businesses recognised, TMR advised the committee:

Through KRA 3 (Local Industry Participation), so far as it is economically and technically reasonable and practicable to do so, the contractor is required to give (and shall ensure that its sub-contractors give) local sub-contractors, vendors, and suppliers a full, fair and reasonable opportunity to supply labour, services, materials, plant, machinery, equipment and other items for the works. This ensures sustainable long-term business benefits and opportunities for Traditional Owners.

⁸² Department of Transport and Main Roads, correspondence, 16 February 2022, pp 19-20.

⁸³ Submission 3, p 1.

⁸⁴ Submission 3, p 2.

⁸⁵ Department of Transport and Main Roads, correspondence, 27 April 2022, p 14.

⁸⁶ Department of Transport and Main Roads, correspondence, 27 April 2022, p 15.

⁸⁷ Department of Transport and Main Roads, correspondence, 27 April 2022, p 17.

⁸⁸ Department of Transport and Main Roads, correspondence, 27 April 2022, p 17.

⁸⁹ Department of Transport and Main Roads, correspondence, 27 April 2022, p 17.

Traditional Owners and businesses are encouraged to register with Black Business Finder and Supply Nations. In addition to, and with the help of the CYLC, a list of business is now being provided with all tenders that principal contractors may wish to engage with.⁹⁰

Mr Neil Scales provided the committee with some examples of TMR training locals to maintain roads in their region. The Director-General advised:

In Coen, for example, we have been working with Kalan Enterprises, one of the local Indigenous organisations there, to maintain the road once we have put it up. It is not just a seal and forget; it is a seal and then they maintain it in the future, so we are giving the local owners a bit of economic activity as well.⁹¹

In relation to maintenance of the Endeavour Valley Road, Mr Scales said:

... we trained up the Hope Vale council to do it. Two of the young fellows - one has a roller and one has a grader - have their own businesses and now they are fully trained up through our colleagues in RoadTek to actually maintain our roads...

We did it originally because it was a pretty grim road. The second reason was that we had the banana plantation. In transporting the bananas from the plantation at Hope Vale to the sealed bit of the road, they were bumped all the way down and got bruised to bits. That was one of the reasons for sealing the road: by using an opportunity to train the council up so they got benefit out of it as well, and it was an ongoing benefit.⁹²

The committee heard additional comments in regards to training at its public hearing in Cairns. Ms Sandra Kemp, Traditional Owner noted:

When contractors are coming in to build something in a community here - whatever works they are - they are required through KPIs to take on a trainee or employ local but, once their contract is finished, they are gone and these people are left with only part of the skill set. It is an ongoing issue. TMR has lined up some meetings with some different departments at the end of this month to discuss it further.⁹³

Mr Terry Piper said:

We recognise that the PDR cannot deliver the kind of training outcomes on its own that people are looking for because of the nature of the work—short-term contracts. You cannot do much about that. How do you set up arrangements where people can get experience and training or have their training before they start on the PDR, come on to the PDR, work there and then move on...

...

We need government support for that kind of model. Our experience is that this is not something that the state government is in a position to coordinate. None of the government departments have sufficient responsibility for it to do that continuity. It needs to be some kind of private arrangement where there are entrepreneurs who are doing it, but it needs government support.⁹⁴

3.5.1.2 Health and wellbeing

The CYLC submitted:

The TOR (Traditional Owner Representative) committee recognises the benefit of increasing access to fresh produce and continuously reducing travel times throughout Cape York as the PDR is upgraded.

⁹⁰ Department of Transport and Main Roads, correspondence, 27 April 2022, pp 17-18.

⁹¹ Public briefing transcript, Brisbane, 28 March 2022, p 2.

⁹² Meeting transcript, Cooktown, 8 June 2022, p 4.

⁹³ Public hearing transcript, Cairns, 9 June 2022, pp 4-5.

⁹⁴ Public hearing transcript, Cairns, 9 June 2022, p 5.

These benefits have long-term positive effects on the mental, emotional and physical health and wellbeing of the TOs of Cape York.⁹⁵

The department advised of a range of mental, physical and social wellbeing benefits that had resulted from there being improved road access across the Cape York region. These are noted below:

PDR upgrades have improved access to major health facilities at Weipa and Cooktown and the primary health care centres for communities across Cape York, particularly residents of remote areas north of Laura. The sealing of the road has facilitated the improved access of the mobile health services such as the dental and breast screen vans and improved road safety for health practitioners visiting primary health centres. This provides a vital service, particularly for community members with caring duties who are unable to leave their communities for health and preventative screening. There has been no increase in services at this time, which is also influenced by staff availability and patient demand. It was noted that during the wet season, at times the dental van could not access some communities for up to two months.

The improved PDR road conditions have also facilitated an increase in group bus trips around the Cape York region by sports teams, school groups and community members. Progressive sealing has introduced the occasional sedan and/or passenger car on the roads, but mostly during optimum (unsealed) road conditions. Eventually, a fully sealed PDR will allow full access by these vehicles, which are cheaper to buy and maintain than the 4WD or troop carriers that currently operate on the road. The recent growth in sporting participation on the Cape has included basketball, AFL, rugby and running. The Northern Division's Cape Cluster Rugby League competition has also expanded for the first time to include Cape-wide games at Coen, Weipa, Lockhart River, Pormpuraaw, Kowanyama and Aurukun.

...

Having dependable and safe land transport access to country allows fulfilment of the aspiration to care for country, which is one of the most positive connections between people and places and is highly related to the level of wellbeing.

Young Indigenous leaders consulted stated they now drive to Weipa and Cairns to access cultural venues, events and opportunities that they can bring back to their communities.

The Cape York Food and Nutrition Strategy 2012-2017 identifies the remoteness of Cape York as a barrier to people's access to healthy, affordable and quality food, with food supply affected by seasonality and road access being cut to some communities for extended periods.

The strategy also notes that remote areas such as Cape York experience higher food costs due to increased costs associated with freight, infrastructure and maintenance, impacting on people's food choices and acting as a barrier to healthy eating.

Improving road access and reducing delays associated with road access being cut are important in improving food security for communities across Cape York and helping to support improvements in community health and wellbeing.⁹⁶

3.5.2 Impact of the work on the economy

The department advised that sealing the PDR has resulted in a wide range of social and economic benefits. These included:

- increased flood immunity, with delays reduced by up to 83 days per annum
- improved road safety, primarily through the reduction in frequency of road flooding
- improved road accessibility and efficiency
- reduction in the duration of current prolonged road closures on an annual basis
- reductions in vehicle operating costs, including potential reductions in the reliance on alternative modes during road closures

⁹⁵ Submission 3, p 2.

⁹⁶ Department of Transport and Main Roads, correspondence, 16 February 2022, p 20.

- time savings
- improved reliability and certainty in travel times
- reductions in freight travel times and vehicle operating costs, which may flow-on to impacts on prices for consumers
- indigenous employment during construction
- improved ability to travel during the wet season
- increased economic development within the region
- reduction in social isolation.⁹⁷

Stakeholders also provided the committee with thoughts on the economic impacts of the PDR development and the opportunities that the ongoing project provided. Mr Michael Rowland, Chair, Weipa Town Authority submitted:

Over the years the slow but continual upgrading of the road has resulted in increased traffic and ease of access to areas across the cape as well as south. One of the significant indicators of the increased road usage is the number of drive tourists who make the iconic trip to the tip and also include Weipa as part of their journey. The numbers recorded at the Weipa camping grounds vary, but there are roughly 40,000 tourists during the tourist season and up to 60,000 across the PDR, so it is huge. Some of these tourists also continue up to the small community of Mapoon, which is located approximately 80 kilometres north of Weipa, which brings added economic benefit to that small isolated community as they have embraced tourism.⁹⁸

Mr Terry Piper said:

I do see the PDR as quite a game changer on the cape. It is going to open up economic opportunities in tourism that Traditional Owners need to get on the front foot for, to plan for. You will have a lot more people going up there and looking for things to do.

...

There are opportunities for properties along the road and for some of those that have been transferred to Aboriginal land, like Mary Valley and Kalinga. There are tourism and agriculture opportunities that would not have been there otherwise.

We do hope that some of this brings a bit of a boost to cattle on the cape in some areas. Traditional Owners have grown up in the cattle industry. It is in their blood and they want to see improvements in that. Also, I think Weipa slowly needs to diversify from mining and a reliance on the mining economy. This road will then improve that. It will provide opportunities for export out of Weipa and various things that would not otherwise have been available.⁹⁹

3.5.3 Impact of the work on the environment

The department noted that a risk assessment had 'identified the CYRP as having a high cultural heritage risk. Due to the sensitive nature of the area, environmental and cultural heritage investigations and meaningful engagement with traditional owners, are also an important part of the project, particularly when sourcing roadmaking components.'¹⁰⁰

DTMR provided details of an Environmental Management Strategy (EMS) that applied to all PDR projects. Under the EMS:

⁹⁷ Submission 2, p 28.

⁹⁸ Public hearing transcript, Weipa, 6 June 2022, p 5.

⁹⁹ Public hearing transcript, Cairns, 9 June 2022, p 3.

¹⁰⁰ Submission 2, p 97.

- the Queensland Government acknowledges its obligation to minimise the impact of CYRP on the environment (including an appropriate rehabilitation strategy)
- the TOs have responsibilities to their traditional country, including cultural and social rights and obligations to look after the environment, and to maintain links between the environment and their cultural heritage
- the parties have a joint goal of minimising the impact of the PDR projects on the environment, while facilitating the expeditious, flexible and economic planning, development and operation of the PDR projects.¹⁰¹

It was noted that the CYRP has contributed to reducing the impact on the environment through:

- up to 50% reduction in the dust and sediment (road material) runoff into waterways
- up to 50% reduction in the need to source resources to support ongoing maintenance.¹⁰²

Another positive environment impact noted by the department was that:

The PDR crosses a multitude of waterways, many of which have fish passage requirements. These waterways can be crucial for fish breeding in the Gulf of Carpentaria or the Great Barrier Reef. On all fish passage waterways TMR has installed Department of Agriculture and Fisheries compliant waterway crossings which facilitate fish movement.¹⁰³

3.5.3.1 Cultural Heritage process

The committee received a submission questioning whether appropriate cultural heritage processes were being followed as part of the Archer River Crossing and Archer River Crossing Southern Approach Projects.¹⁰⁴ Mr Roderick Burke stated that ‘The current works being done by others could be damaging our sites’.¹⁰⁵

The committee referred Mr Burke’s concerns to both DTMR and the CYLC. DTMR advised that they had met with Mr Burke to discuss his concerns and that:

The ILUA records the Traditional Owners’ consent to the PDR works, which allows projects to proceed validly with regard to Native Title.

The ILUA sets out the agreed framework for the management of Aboriginal cultural heritage and an Environmental Management Strategy to be implemented during the PDR works.

...

For the Archer River Crossing and Archer River Crossing Southern Approach Projects, TMR has carried out comprehensive Cultural Heritage surveys in partnership with Traditional Owners nominated by CYLC.¹⁰⁶

The CYLC stated that:

The Archer River bridge area falls on the boundary between the Northern Kaanju and Southern Kaanju groups. The State Government has a contract with CYLC and Bankanu Cape York Development Corporation in relation to cultural heritage protection along the PDR. ... In the cultural heritage process, Balkanu and CYLC have sought to be inclusive of those families who have a connection to the Archer River bridge, including Mr Burke’s family.

¹⁰¹ Submission 2, p 227.

¹⁰² Submission 2, p 15.

¹⁰³ Department of Transport and Main Roads, correspondence, 27 April 2022, pp 7-8.

¹⁰⁴ Submission 1, p 1.

¹⁰⁵ Submission 1, p 1.

¹⁰⁶ Department of Transport and Main Roads, correspondence, 27 April 2022, pp 10-11.

Cultural heritage at the Archer River Bridge has included inspections with Traditional Owners, an assessment by a very experienced archaeologist, and the employment of a number of cultural heritage monitors.¹⁰⁷

3.6 Balance of public and private sector involvement in the works

The table below shows the value and percentage break down of public and private sector expenditures of CYRP1 and CYRP2 (as at the end of February 2023).

Table 17: Estimated cost breakdown of work by the public and private sectors¹⁰⁸

Program	Public (estimated value) \$ million	Private (estimated value) \$ million	Public % of total	Private % of total
CYRP1	50.878	173.413	22.68	77.32
CYRP2	75.152	26.562	73.89	26.11

3.6.1 Public sector involvement

The department advised that ‘RoadTek undertook a critical role in CYRP not only with delivery of construction contracts but also managing gravel and water investigations’.¹⁰⁹ RoadTek is a commercial business within the department that specialises in delivering difficult, hard-to-scope, high risk and short-lead-time projects.¹¹⁰ Further, RoadTek ‘facilitated construction of water storage structures across Cape York to enable sufficient water is available for use by all contractors delivering projects under CYRP1 and CYRP2.’¹¹¹

3.6.2 Private sector involvement

The department submitted that private sector suppliers had providing the following services:

- detailed design
- environmental and cultural heritage services
- survey
- geotechnical investigations
- project management services
- construction administration
- road construction contracts
- tactical advisory services
- administration and communication services
- supply of bitumen
- supply of project signage.¹¹²

¹⁰⁷ Cape York Land Council, correspondence, 28 July 2022, pp 1-2.

¹⁰⁸ Submission 2, p 34 and Department of Transport and Main Roads, correspondence, 30 March 2023, p 6.

¹⁰⁹ Department of Transport and Main Roads, correspondence, 16 February 2022, p 29.

¹¹⁰ Department of Transport and Main Roads, About RoadTek, <https://www.tmr.qld.gov.au/business-industry/commercial-services/about-roadtek>

¹¹¹ Department of Transport and Main Roads, correspondence, 16 February 2022, p 29.

¹¹² Department of Transport and Main Roads, correspondence, 16 February 2022, p 29.

3.7 Performance of the constructing authority, consultants and contractors for the work

TMR advised that 'All contracts were managed in accordance with the general conditions of contract for each contract type'.¹¹³ For the open tender construction contracts, TMR engage an external prequalified contract administration team who ensure both parties met/meet their contractual obligations and assures the quality of the completed construction works.¹¹⁴ In relation to the PDR, TMR advised that it had undertaken the following performance reporting:

- Transport Infrastructure Project Delivery System (TIPDS) for infrastructure contracts
- supplier performance reporting for consultants/contractors engaged through Engineering Consultant Scheme.¹¹⁵

Further, the Australian Government engaged consultants in June 2020 to conduct Major Project Assessment Reports on early works of CYRP1 as part of its 2019-2020 Infrastructure Investment Risk and Assurance Program (RAP). TMR stated that findings from this report noted that:

- TMR has established project control mechanisms to ensure that contractor performance is reviewed and monitored throughout project delivery with a Risk Rating assigned as very low
- there was no evidence that indicated that TMR had additions to the scope of the project that could be considered in excess of necessary specifications to achieve the projects objectives
- project scope changes were made by TMR that reflected on-the-ground issues, owing to the regional nature of the works and involvement of local Regional Council bodies 'most likely enhanced the project objectives developed during the design stages'
- the assessment team identified no evidence that indicated project cost overruns that would result in the requirement of additional funding and that there was no evidence that the project costs were inaccurate for CYRP1.¹¹⁶

The committee heard positive appraisals about the performance of RoadTek. Ms Sandra Kemp advised:

Seeing the outcomes that are happening has been very positive for me. I support the RoadTek model and what they have done. They have supported business. They have also supported taking leading hands in and giving them further training so they can go back to their Indigenous companies and manage a section of works competently, meeting capacity and all the rest of it.¹¹⁷

Mr Terry Piper also commented on RoadTek:

One thing we very strongly supported was the RoadTek arrangement. RoadTek would take on smaller sections of the road and be an incubator for Indigenous businesses, so that has been something we have strongly supported. Leaving some sections for large contractors and some sections for RoadTek to oversee has been a very successful model.¹¹⁸

Below is a list of the major consultants and contractors that were used for the project (up to 2022).

¹¹³ Department of Transport and Main Roads, correspondence, 16 February 2022, p 31.

¹¹⁴ Department of Transport and Main Roads, correspondence, 16 February 2022, p 31.

¹¹⁵ Department of Transport and Main Roads, correspondence, 16 February 2022, p 30.

¹¹⁶ Department of Transport and Main Roads, correspondence, 16 February 2022, pp 30-31.

¹¹⁷ Public hearing transcript, Cairns, 9 June 2022, p 2.

¹¹⁸ Public hearing transcript, Cairns, 9 June 2022, p 2.

Table 18: List of the major consultants and contractors for the project ¹¹⁹

Contractor Name	Type of Service
AECOM Australia Pty Ltd	Detailed Design & Project management services
Artcraft Pty Ltd	Project Signs
Aurecon Australasia Pty Ltd	Detailed Design
Bama Civil Pty Ltd	Civil Construction
Balkanu Cape York Development Corporation Pty Ltd	Cultural Heritage Monitoring
Bama Civil Pty Ltd & Downer EDI Works Pty Ltd (Joint Venture)	Civil Construction
Biotropica Australia Pty Ltd	Environmental Services
Cardno (Qld) Pty Ltd	Engineering Survey
Civil Mining & Construction Pty Ltd	Civil Construction
Decmil Southern Pty Ltd	Civil Construction
Flanagan Consulting Group	Detailed Design
GHD Pty Ltd	Detailed Design
Hartecs Group Pty Ltd	Contract Administration Services
Holcim (Australia) Pty Ltd	Supply of Precast Products
Humes Townsville	Supply of Precast Products
Jacobs Group (Australia) Pty Ltd	Detailed Design & Project management services
Koppens Developments Pty Ltd	Civil Construction
McCullough Robertson Lawyers	Advisory Services
McIlveen & Associates Pty Ltd	Contract Administration Services
Millennium Consultants	Project Management Services
NQ Civil Engineering Contracting Pty Ltd	Civil Construction
NRA Environmental Consultants	Environmental Services
QH & M Birt Pty Ltd	Civil Construction
RoadTek Asset Services	Civil Construction

¹¹⁹ Department of Transport and Main Roads, correspondence, 16 February 2022, p 8.

Robinson Civil Constructions FNQ Pty Ltd	Civil Construction
Rocla Pipeline Products	Supply of Precast Products
SMEC Australia Pty Ltd	Detailed Design
St George Project Services	Project Management Services

3.8 Actual suitability of the works in meeting the needs and in achieving the stated purpose of the works

A primary stated purpose of the works was to 'seal as much of the road as possible to reduce high maintenance costs and improve network resilience'.¹²⁰ The table below outlines the number of kilometres of the PDR that have been sealed under both CYRP1 and CYRP2 in addition to the original 136 kilometres (25.8%) of the PDR that were sealed before the commencement of the projects.

Table 19: Length of PDR sealed under CYRP1 and CYRP2¹²¹

Length of PDR - 527km	Length of Seal (km)	Remaining Seal Length (km)
Prior to CYRP1	136	391
Under CYRP1	173	218
Under CYRP2	28.7	189.3

The department advised that other key achievements of CYRP1 included:

- 84 Indigenous trainees in civil construction who commenced or completed nationally recognised competencies for different civil construction equipment and machinery
- 152,000 hours of Indigenous training and employment
- 321 Indigenous workers employed to deliver works on the PDR
- 108 local traditional owners employed to provide over 10,000 hours of cultural heritage monitoring
- 19 local Indigenous businesses engaged to work in civil construction, vegetation and road maintenance works
- \$42.6 million worth of work completed by Indigenous businesses
- \$84 million spent on local Cape York businesses.¹²²

In regards to CYRP2, the department submitted that these works would continue to support key outcomes from CYRP1, such as:

- improving social outcomes for Indigenous and local communities in Cape York by providing better access to health services, employment, education and training opportunities
- improving links and access in the region to support the growth of the hospitality, transport and tourism, industries and access to country allowing fulfilment of the aspiration to care for country, which is one of the most positive connections between people and places and is highly related to the level of wellbeing

¹²⁰ Submission 2, p 14.

¹²¹ Submission 2, p 4 and Department of Transport and Main Roads, correspondence, 30 March 2023, p 1.

¹²² Department of Transport and Main Roads, Cape York Region Package, <https://www.tmr.qld.gov.au/projects/cape-york-region-package>

- increasing access to transport supports the development of emerging industries that are being explored - aquiculture, cattle, farming, timber, space base
- upgrading key access roads to ensure they are better able to withstand severe weather conditions.¹²³

3.8.1 KRA results

The department submitted that 'Delivery of the CYRP has consistently exceeded all KRA targets'.¹²⁴ The KRA targets and 'actual achieved' figures from CYRP1 and CYRP2 are contained below.

Table 15: Total KRA Performance for CYRP1¹²⁵

KRA	Contract Target	Actual Achieved
KRA 1 - Indigenous and non-Indigenous training and upskilling	45,465 hours	152,000 hours
KRA2 - Implementation of an Indigenous Economic Opportunities Plan. Indigenous business engagement.	\$16.5 million	\$42.6 million
KRA3 - Local industry participation	\$50 million	\$84 million

Table 16: Contractor KRA performance for CYRP2 (as at March 2023)¹²⁶

KRA	Contract Target	Actual Achieved
KRA 1 - Indigenous and non-Indigenous training and upskilling	32,628 hours	70,066 hours
KRA2 - Implementation of an Indigenous Economic Opportunities Plan. Indigenous business engagement.	\$14.63 million	\$37.24 million
KRA3 - Local industry participation	\$37.30 million	\$53.15 million

3.8.2 Stakeholder views

Mr Peter Scott, Mayor, Cook Shire Council provided the following appraisal on the suitability of the PDR works and the achievements of the project:

The actual work done is fantastic. For people commuting in and out of Cooktown, the kids coming to school, people coming to hospital or for sport and that sort of thing, now it is a straight run through on a beaut sealed road. The other big benefit was that the Hope Vale works crew actually got the job and were mentored and trained by DTMR to do that job. Not only did you have a great outcome as far as the road is concerned; you had a great outcome inasmuch as that works crew is now on our list of preferred suppliers. If the DRFA funding comes in and we need to do work out that way, they are an obvious target

¹²³ Submission 2, p 9.

¹²⁴ Department of Transport and Main Roads, correspondence, 16 February 2022, p 22.

¹²⁵ Department of Transport and Main Roads, correspondence, 16 February 2022, p 22.

¹²⁶ Department of Transport and Main Roads, correspondence, 30 March 2023, p 6.

for us because they are there, it is their traditional country and they have the gear, the experience and the runs on the board.¹²⁷

Ms Sandra Kemp submitted her views on the works to date, noting:

There are a lot of outcomes: training and development, employment, better medical services, an increase in tourism, better food supply and all the rest of it.

...

From training and development right through to better services, it is just positive all around.¹²⁸

Mr Terry Piper provided the following overall opinions on the works:

We saw that the real benefits of the road were the long-term jobs and construction opportunities, so we have worked very closely on this with DTMR over the years. There has been cultural heritage and monitoring done, and from my observation there have been fantastic outcomes as far as getting Traditional Owners working on the road and Indigenous businesses engaged on the road.¹²⁹

In regards to the suitability of the ILUA, Mr Terry Piper submitted:

The PDR ILUA was one of the first times in Australia that that kind of thing had happened, particularly at that scale. We have been very pleased with the outcomes. There were teething problems along the way ... there have been things that we have needed to work out along the way, but there has been a lot of goodwill there to do that. We see it as being this opportunity that is the incubator for a whole range of things. People who work on the PDR might then get contracts with local government, the Indigenous councils and all that. We applaud what has happened.¹³⁰

4 Matters outside of the inquiry terms of reference

Some important matters regarding the PDR that were outside the terms of reference were brought to the committee's attention during the inquiry. These are noted below.

4.1 Services needed to cater for increased levels of tourism

The ongoing improvements to the PDR have opened up Cape York to more travellers and tourists. With the road now being increasingly accessible to more types of vehicles, rates of tourism are likely to continue increasing. This has already resulted in pressure on available facilities and on the local councils who are responsible for the provision of these services. Ms Linda Cardew, Chief Executive Officer, Cook Shire Council summarised these concerns to the committee, noting:

... the key issue when people arrive in town is that they need water, they need food and they need sewerage. The capacity for the Cook shire to move garbage effectively is very limited. Our rate base is not growing or is only growing at a very minimum or negligible rate and we have no other own-source revenue.¹³¹

4.1.1 Toilets and waste

Mr Michael Rowland, Chair, Weipa Town Authority, also noted the current lack of facilities to accommodate tourists. He advised that committee that:

One issue that has been highlighted by the increased numbers of drive tourists is the lack of facilities along the road. There are no serviced public toilets and rubbish facilities or regular spaced lay-bys where travellers can safely pull off the road to help manage fatigue. As a result of this lack, there is a growing

¹²⁷ Meeting transcript, Cooktown, 8 June 2022, p 4.

¹²⁸ Public hearing transcript, Cairns, 9 Jun 2022, p 6.

¹²⁹ Public hearing transcript, Cairns, 9 Jun 2022, p 2.

¹³⁰ Public hearing transcript, Cairns, 9 June 2022, p 6.

¹³¹ Meeting transcript, Cooktown, 8 June 2022, p 2.

problem with rubbish left behind, and many popular areas are reduced to being like an open toilet by the end of the tourist season.¹³²

Mr Peter Scott, highlighted the impact of increased waste being brought into the Cook Shire:

People come from Victoria and Tasmania and chuck things out the window, and we are responsible for that. National Parks take fees off people and say, 'Thanks very much for taking your rubbish into Cook shire', or to Aurukun or to Lockhart River.¹³³

Mr Peter Burns, Councillor, Cook Shire Council added:

The rubbish that goes up has to come back. It ends up in the only landfill, which is at Mareeba. ... A lot of the rubbish that will be taken up and left there has to go back. We pay for that as a council. The expense is considerable. Even for places like Portland Roads, we have to take rubbish out of there and bring it back because it is not a registered landfill.¹³⁴

4.1.2 Telecommunications

Ms Linda Cardew also spoke about the need for improved telecommunications:

We have had many discussions regarding the complementary or ancillary infrastructure that is needed. There are some big-ticket items, some of which obviously do fall outside the control of the state. Telecommunications and safety are paramount because, as you say, as the road is progressively sealed more and more vehicles are going up that are not equipped for that environment. The risk of accidents up there and the inability to call emergency services is critical. We have frequently discussed the fact that when TMR is sealing the road we need to take a whole-of-state-government approach to look at the whole of the amenity and the whole of the consequences. Safety is obviously paramount, as is the ability of Queensland police to service the road. I think Coen, for example, has one police car. If that car is out on duty that means nobody else is available to race down the road. There is a question about Queensland ambulance and their ability.¹³⁵

Ms Cardew added:

People do not understand that once they are out there there is possibly nowhere to eat. We recently went up to Coen and found that every roadhouse was closed. There was no food between Lakeland and Coen and when we got to Coen the only pub was shut and the supermarket was shut because it was the weekend. You have people actually travelling with no knowledge, no food, no amenities, no communications, no access to emergency services, but there will be a terrifically sealed road.¹³⁶

4.2 Possible source of local revenue

The committee notes that the responsibility for the provision of services discussed above generally falls under the responsibility of local government authorities and in relation to the upgrading of telecommunications services, the commonwealth.

The committee notes a local idea that was brought to its attention in both Weipa and Cooktown, that has been referred to as a 'Cape York passport' or a 'passport to the Cape'. Ms Linda Cardew advised:

We have been discussing this for about the last four years on and off. It was loosely called the 'passport to the cape', and the intention was that tourists would be able to contribute something. The idea has not really gone anywhere. There has been a lack of time to fully consider it and lots of curly things that needed to be considered as part of it. When you think about the access, for example, to beachside areas, to national parks and, as the mayor says, across the Jardine River and across the Daintree River, it is acceptable to pay for a level of amenity. The council has discussed it not so much recently but going back

¹³² Public hearing transcript, Weipa, 6 June 2022, p 5.

¹³³ Meeting transcript, Cooktown, 8 June 2022, p 3.

¹³⁴ Meeting transcript, Cooktown, 8 June 2022, p 7.

¹³⁵ Meeting transcript, Cooktown, 8 June 2022, p 2.

¹³⁶ Meeting transcript, Cooktown, 8 June 2022, p 2.

a couple of years. The idea that people pay a little towards their bucket list trip is not an unrealistic expectation, particularly if the amenity is improved as a result.¹³⁷

Mr Michael Rowland told the committee that there had been:

... an idea about trying to sell something like a Cape York passport and to charge a certain price per vehicle. That money would then be used to provide and maintain some of these services; otherwise, it falls back on the ratepayers. It would be a bit more of a user-pays kind of attitude. I thought it was a good idea but it could not get off the ground.¹³⁸

Committee comment

We note the benefits that increased tourism is bringing to Cape York and the potential for ongoing associated economic growth that will occur as the Peninsula Developmental Road is further sealed and greater numbers of people travel this route.

The need for appropriate ancillary infrastructure such as toilets and waste services in order to cater for increased visitor numbers is clear. The committee encourages all levels of government to continue working together in order to improve services to both the residents of Cape York and visitors to this region.

¹³⁷ Meeting transcript, Cooktown, 8 June 2022, p 6.

¹³⁸ Public hearing transcript, Weipa, 6 June 2022, p 8.

Appendix A – Submitters

Sub #	Submitter
01	Roderick Burke
02	Department of Transport and Main Roads
03	Cape York Land Council

Appendix B – Official at public departmental briefings

28 March 2022 and 27 March 2023 - Brisbane

Department of Transport and Main Roads

- Mr Neil Scales, Director-General

Appendix C – Witnesses at public hearings and meeting

6 June 2022 – public hearing in Weipa

Rio Tinto

- Ms Shona Markham, General Manager, Weipa Operations

Weipa Town Authority

- Mr Michael Rowland, Chair
- Mr Dave Donald, Elected Member

8 June 2022 – meeting in Cooktown

Cook Shire Council

- Mr Peter Scott, Mayor, Cook Shire Council
- Mr Peter Burns, Councillor, Cook Shire Council
- Ms Linda Cardew, Chief Executive Officer, Cook Shire Council
- Mr Glen Dukes, Shire Overseer, Cook Shire Council
- Mr Peter Tonkes, Director, Infrastructure, Cook Shire Council

Department of Transport and Main Roads

- Mr Neil Scales, Director-General

9 June 2022 – public hearing in Cairns

- Mr Roderick Bourke
- Ms Sandra Kemp

Cape York Land Council

- Mr Terry Piper, Acting Chief Executive Officer
- Ms Jeanette Wormald, Strategic Communications & Policy Officer.

Appendix D - Abbreviations

CDCA	Contract Direct Cost Amount
CYLC	Cape York Land Council
CYRP	Cape York Region Package
DITRDC	Department of Infrastructure, Transport, Regional Development and Communications
DPMC	Department of the Prime Minister and Cabinet
DRFA	Disaster Recovery Funding Arrangements
DSDILGP	Department State Development, Infrastructure, Local Government and Planning
DSDSATSIP	Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships
DTMR	Department of Transport and Main Roads
EMS	Environmental Management Strategy
FNQ	Far North Queensland
ILUA	Indigenous Land Use Agreement
KRAs	Key Result Areas
NIAA	National Indigenous Australians Agency
NTRB	Native Title Representative Body
PPR	Project Proposal Report
QT	Queensland Treasury
QTRIP	Queensland Transport and Roads Investment Program
RAP	Risk and Assurance Program
ROSI	Roads of Strategic Importance program
RTAW	Rio Tinto Alcan Weipa
TIAM	Transport Infrastructure Asset Management
TIPDS	Transport Infrastructure Project Delivery System
TCICA	Torres Cape Indigenous Council Alliance
TOs	Traditional Owners
TOR	Traditional Owner Representative Committee