

Tim Nicholls MP

Deputy Leader of the Opposition
Member for Clayfield



2/8/11

19 July 2011

The Hon John Mickel MP
Speaker of the Legislative Assembly
Parliament House
Alice Street
BRISBANE QLD 4000

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| LAI UPON THE TABLE OF THE HOUSE | |
| No. <u>5311T 4802</u> | 02 AUG 2011 |
| MP: _____ | |
| Clerk's Signature: _____ | |

Dear Mr Speaker

I am writing to you under Standing Order 269 and refer you to a matter I believe may constitute a contempt of the Parliament.

On Friday, 15 July I participated as an invited member in the Industry, Education, Training and Industrial Relations Committee's examination of the budget matters relevant to the Committee.

During the examination I asked the Director General of the Department of Employment, Economic Development and Innovation, Mr Ian Fletcher, a question about the lease of premises by Trade and Investment Queensland. Attached is the *Hansard* page showing my questions and Mr Fletcher's answer.

You will note Mr Fletcher states "*The reason I answer it carefully is that the period actually wraps over the point where I personally arrived in the job. So from the files I have seen it was not under consideration. The files clearly show a vigorous debate within government about that question later on, but not at the time the lease extension was being considered.*"

A subsequent report in the *Courier Mail* (copy attached) reports there were departmental emails dated before the time period referred to by Mr Fletcher in his answer and which show in fact the move was being actively canvassed in contradiction to the answer Mr Fletcher gave.

In particular an e-mail from former Premier and Bligh Government appointee Peter Beattie, dated 18 August 2009, is quoted as saying

Address: Parliament House
Alice Street Brisbane
Queensland 4000 Australia
Telephone: (07) 3406 7997
Facsimile: (07) 3221 1496
Email: deputy.leader@opposition.qld.gov.au

“ PS, David – I should add that we should not sign a new lease if the office is going to be moved to Latin America. You need to get some clarity first from the DG or Minister or this will not work. Best wishes, PB”.

On the face of it this seems to amount to a misleading of the Parliament, and a serious contempt of one of the most important aspects of Parliament's duties, namely examination of the budget.

In particular I refer to Schedule 8 of the Standing Orders and Section 48 of that Schedule.

It now appears Mr Fletcher is moving away from his original answer. In correspondence to the committee it appears Mr Fletcher is admitting his earlier answer was wrong even though his letter in part suggests at the time the answer was complete and correct. I attach a copy of Mr Fletcher's correspondence to the Committee.

It would appear that any action taken by Mr Fletcher to change his answer is only being provided after the revelations in the *Courier Mail*, and is not due to any original desire to provide the correct answer and the emails exposed by the Courier Mail clearly suggest that Mr Fletcher's answer was neither complete nor correct at the time.

In light of the above and the important need to enforce the purpose of the new Committee system, I request you refer the matter to the Ethics Committee for consideration.

Yours sincerely



TIM NICHOLLS MP

Deputy Leader of the Opposition

Shadow Treasurer

Shadow Minister for Finance

Shadow Minister for Trade

Shadow Minister for Racing



**Queensland
Government**

Department of
**Employment, Economic
Development and Innovation**

18 JUL 2011

The Honourable Kerry Shine MP
Chair
Industry, Education, Training and Industrial Relations Committee
Parliament House
Cnr George and Alice Streets
BRISBANE QLD 4000

Dear Mr Shine

On Friday 15 July, in response to a question from Mr Nicholls in respect of the Trade and Investment Queensland LA Office, I stated that, from the records I had seen, there was a debate about relocating the LA office to Latin America, but not at the time of the lease renewal.

This answer was, of course, complete and correct at the time I gave it. But information has come to light subsequently which might lead me to offer a different answer were the question put to me today. I thought it right to let you know of this development.

I propose to look further into this matter and to offer you and your colleagues a more complete response as soon as possible.

Yours sincerely

IAN FLETCHER
Director-General

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ABN 24 830 236 406

Mr SEENEY: I know who has been reducing the debate down this morning.

Mr FRASER: I just put the simple point of logic to you, Leader of the Opposition: if you won and Mr Smith was appointed on a three-year term, that would cover off the term that you are talking about—so arrogant are you that you are not even just assuming one election victory but you are assuming two election victories. I think you have got a long way to go before you win the next election because the people of Queensland would actually like to see someone put forward a policy rather than a political slur, put forward a policy rather than an answer of rhetoric.

Mr SEENEY: So the answer is no? Can I take it the answer is no?

Mr FRASER: I am happy to appoint people on merit every day of the week, just as I remind you we appointed Bob Quinn as a special trade representative and just as we appointed Julie Boyd as a special trade representative. In fact, we reappointed her each time after she failed to win election as an LNP endorsed candidate or you refused to endorse her.

Mr NICHOLLS: Only appointed for two years.

Mr FRASER: Just as we have appointed Joan Sheldon, two positions. All of those people have served this state of Queensland well. I think the idea that is advanced here—that anyone who has participated in public life in the past is not able to make a contribution to public life in the future—is about gross base politics and nothing to do with the interests of the state.

Mr SEENEY: That was not the suggestion at all. What I asked was whether you have ruled out signing any more five-year contracts between now and the election.

Mr FRASER: No, I will not rule out signing five-year contracts. There are presently positions in the marketplace for the director-general of Health and there will be into the future for the Department of Community Safety, where the director-general has announced his retirement. I expect that an option in those recruitment processes will be for five-year terms, just as they are in each and every other state. Perhaps I might ask you—

Mr NICHOLLS: No, we are asking the questions.

Mr FRASER: Should you be in government, will you also appoint people on five-year terms?

Mr SEENEY: You focus on what your government is doing.

Mr FRASER: This is a parliament and I am entitled for the opposition to be able to put forward a position.

CHAIR: We have a minute and a half for the next question and answer.

Mr NICHOLLS: My question is to Mr Fletcher, the director-general. Mr Fletcher, can you detail why the Trade and Investment Queensland division and your department chose to sign a long-term lease in December 2009 while relocation of the office to South America was under active consideration? What is the term of that lease? What will be the cost to the Queensland taxpayer of entering into that agreement?

CHAIR: Mr Fletcher, could you restrict your answer to one minute, please.

Mr Fletcher: Gosh, okay. I shall be very brief, then. The key point is the chronology in responding to the question. The chronology shows that the decision to look at extending the lease was fundamentally taken before the government concluded that it would be right to realign and move the resources that Trade and Investment Queensland has in both North and South America—

Mr NICHOLLS: Was that under consideration—not concluded, but under consideration?

Mr Fletcher: I am sorry? Was—

Mr NICHOLLS: Was the relocation under consideration at the time the new lease was being entered into?

Mr Fletcher: Not as far as I have seen from the record.

Mr NICHOLLS: It was not under consideration?

Mr Fletcher: The reason I answer it carefully is that the period actually wraps over the point where I personally arrived in the job. So from the files I have seen it was not under consideration. The files clearly show a vigorous debate within government about that question later on, but not at the time the lease extension was being considered.

Mr NICHOLLS: And the term of the new lease?

Mr Fletcher: It is 10 years. Yes, it is 10 years.

Mr NICHOLLS: And the final ultimate cost to the taxpayer?

Mr Fletcher: I do not know the answer to that question as the final negotiations have yet to be concluded.

CHAIR: The time has expired.



Courier Mail
19-Jul-2011
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 General News
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 Size: 747.70 sq.cms
 Frequency: MTWTFSS-

Email trail shows Beattie called for Trade decision on Latin America

Move on cards as LA lease signed

Steven Wardill



THE Bligh Government was already considering shifting Queensland's trade headquarters to Latin America when it signed a 10-year lease on a plush Los Angeles office.

Internal emails obtained by *The Courier-Mail* contradict the Government's claims that the LA lease was signed before the move was contemplated.

Senior bureaucrat Ian Fletcher told an estimates hearing last week that the move to Latin America was considered only after the lease was finalised in December 2009.

However, the email trail shows then LA-based trade commissioner Peter Beattie warned in August 2009 against signing the lease as the move to Latin America was being contemplated.

But bureaucrats pushed for the lease to be signed, arguing the savings generated from the new deal could be used to help pay for Premier Anna Bligh's "completely unfunded" Latin America trade trip.

Taxpayers now remain lumbered with the lease costs on the vacated LA office - 9000km from the new trade head-

quarters in Santiago, Chile.

Under questioning from the Opposition, Mr Fletcher told the estimates hearing that the LA lease was finalised before the move to Latin America was considered.

"The files clearly show a vigorous debate within Government about that question (of moving to Latin America) later on, but not at the time the lease extension was being considered," he said.

However, on August 18, 2009, Mr Beattie wrote to Trade and Investment Queensland's corporate services director David Hardy warning the Government needed to make a decision about Latin America before signing the lease.

"We should not sign a new lease if the office is going to be moved to Latin America," he said.

But the following month Trade's director of the Americas Stephen Biggs was lauding the lease deal to his bosses and urging them to approve the contract.

According to Mr Biggs, the new lease on offer would save \$US23,000 in the first two years, provide an easy get-out clause and include "new carpet and maybe paint" for the office.

"The savings in 09-10 will be critical as the LA Office will need these funds for the Premier's mission (to) Latin America

which, as you know, is completely unfunded," he wrote.

Yesterday, Opposition Treasury spokesman Tim Nicholls said it appeared Mr Fletcher had given wrong information to the committee.

"But more concerning, Treasurer Andrew Fraser has failed to correct the record so far," he said.

Mr Nicholls said the Government should come clean about whether the LA lease was signed to fund the trade trip, which was eventually taken by Mr Fraser.

However, the Government yesterday maintained Mr Fletcher's comments to the hearing were accurate.

A spokesman argued that alternative emails showed that at the time the LA lease was being signed the Government was only considering locating an officer in Latin America.

"We agreed that the best way forward was to proceed with the announcement of an officer in Chile in time for the Premier's forthcoming visit to Latin America," Mr Fletcher wrote on February 25, 2010.

The spokesman also insisted that the bureaucrat's comments about the funding of the trade trip only related to those that would have been incurred by the LA office.

TIMELY DEBATE

From: Peter Beattie (Queensland Trade Commissioner to the Americas)
Sent: 18 August, 2009
To: David Hardy (Trade and Investment Queensland's corporate services director)
Subject: RE: Lease options

PS, David - I should add that we should not sign a new lease if the office is going to be moved to Latin America. You need to get some clarity first from the DG or Minister or this will not work.
 Best wishes, PB

From: Stephen Biggs (Trade and Investment Queensland's director of the Americas)
Sent: 24 September, 2009
To: David Hardy
Cc: Rob Whiddon (Trade and Investment Queensland's managing director)
Subject: RE: Lease options

The savings in 09/10 will be critical as the LA office will need these funds for the Premier's mission Latin America which, as you know, is completely unfunded.

From: Peter Beattie
Sent: 9 October, 2009
To: Rob Whiddon
Cc: Stephen Biggs, David Hardy
Subject: Deputy to Latin America

A Queensland Government office for Latin America should be located in Colombia, not Santiago, Chile.
 opening a new Queensland Government office in Colombia, established on a largely cost-neutral basis, would provide a strong announceable for a proposed Premier's mission to Latin America in May 2010 (the opposition has been pushing for a Latin America office).

Former trade HQ in Los Angeles, US

New trade HQ in Santiago, Chile

Peter Beattie in LA

More recently...

The lease was agreed to in December 2009, before the Government made its decision to move Trade's America headquarters to Latin America.

11 July 2011 - Treasurer Andrew Fraser



Queensland
Government

1 AUG 2011

Department of
Employment, Economic
Development and Innovation

The Honourable John Mickel MP
Speaker of the Legislative Assembly
Parliament House
Cnr George and Alice Streets
BRISBANE QLD 4000

Dear Mr Speaker,

I write in relation to matter which I believe may have been referred to you by Mr Tim Nicholls MP under the provisions of Standing Order 269. To the extent that I am the subject of this reference I ask that you take the following points into account in making your decision as to whether to refer the matter to the ethics committee.

Background

On 15 July I responded to a question from Mr Nicholls in evidence to the Industry, Education, Training and Industrial Relations Committee relating to the Los Angeles trade office. Relevant *Hansard* is attached. I note that my reply made clear that it was based on the material I had seen up to the point of answering, and that it was also relevant that the time period in question included a period before I assumed the Office of Director General.

On 18 July, material was provided to the Treasurer's office by the *Courier Mail* which related directly to this question. I had not had access to this material before responding to Mr Nicholls' question. Considering this new material *prima facie* led me to conclude that, had I seen this material before responding to Mr Nicholls, I might have given a different answer.

Mindful of my duty to the Committee, I immediately contacted the Research Director and wrote forthwith to the Chair to state that this new material had emerged and might have led me to offer a different answer, had it been available to me on 15 July. I undertook to make further inquiries and to report to the Committee. This work remains on foot and that commitment remains extant. The delay is because not all of the subsequent material has yet been verified. My letter to the Chair of the Committee is attached.

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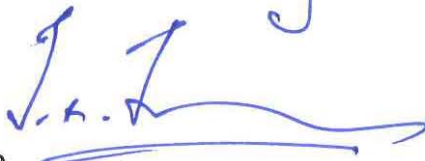
Statements attributed to Mr Nicholls suggested that this was a matter he intended to refer to you.

Representations

I make the following representations in relation to this matter:-

- (a) my original answer made no claim to be definitive nor to offer any warranty beyond the clear – and twice – repeated - caveat that it was based on the records I had seen at the time;
- (b) I held an honest belief at the time that answer was true, correct and complete when it was given;
- (c) my subsequent letter to the Chair reflected no more than my commitment to a candid and dutiful relationship to the Committee;
- (d) I remain committed to providing the Committee with further information as soon as I can;
- (e) Throughout, my own conduct has reflected both the utmost sense of duty to the Parliament and its Committee, and a clear commitment to candour in my dealings with the Committee.

I am of course happy to provide such further information as you may require.

Yours sincerely,


IAN FLETCHER
Director-General

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Mr FRASER: I just put the simple point of logic to you, Leader of the Opposition: if you won and Mr Smith was appointed on a three-year term, that would cover off the term that you are talking about—so arrogant are you that you are not even just assuming one election victory but you are assuming two election victories. I think you have got a long way to go before you win the next election because the people of Queensland would actually like to see someone put forward a policy rather than a political slur, put forward a policy rather than an answer of rhetoric.

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18 JUL 2011

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Chair
Industry, Education, Training and Industrial Relations Committee
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