

# **2016 – 17 Budget Estimates**

**Report No. 16, 55<sup>th</sup> Parliament**  
**Education, Tourism, Innovation and Small**  
**Business Committee**

**August 2016**

# EDUCATION, TOURISM, INNOVATION AND SMALL BUSINESS COMMITTEE

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## Chair's Foreword

This report presents a summary of the Committee's examination of the Budget Estimates for the 2016-17 financial year contained in the Appropriation Bill 2016 for the committee's areas of responsibility: Education, Tourism and Major Events, Innovation, Science, the Digital Economy, and Small Business.

The Committee was unable to reach agreement on whether the proposed expenditure be agreed to by the Legislative Assembly without amendment.

On behalf of the Committee, I wish to thank the Minister for Education and Minister for Tourism and Major Events, and the Minister for Innovation, Science and the Digital Economy and Minister for Small Business, and departmental and statutory authority officials for their cooperation in providing information to the Committee throughout this process.

I would also like to thank the other members of the Committee and the Committee's secretariat staff, along with other Queensland Parliamentary Service staff, for their hard work and valuable contribution to the Committee's estimates considerations this year.



Scott Stewart MP  
Chair

August 2016

## 1. Introduction

### 1.1 Role of the Committee

The Education, Tourism, Innovation and Small Business Committee was established by the Queensland Legislative Assembly on 27 March 2015 as a portfolio committee. The Committee is responsible for the following portfolio areas:

- Education
- Tourism and Major Events, Small Business
- Innovation, Science, and the Digital Economy.<sup>1</sup>

On 14 June 2016, the Appropriation Bill 2016 and the estimates for the Committee's areas of responsibility were referred to the Committee for investigation and report.<sup>2</sup>

On 26 July 2016, the Committee conducted a public hearing and took evidence about the proposed expenditure from the Minister for Education and Minister for Tourism and Major Events, and the Minister for Innovation, Science and the Digital Economy and Minister for Small Business. A copy of the transcript of the Committee's hearing can be accessed at: <http://www.parliament.qld.gov.au/documents/committees/ETISBC/2016/Estimates2016/04-trns-ph26July2016.PDF>

### 1.2 Aim of this report

The Committee considered the estimates referred to it by using information contained in:

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

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

Prior to the public hearing, the Committee provided the Minister for Education and Minister for Tourism and Major Events; and the Minister for Innovation, Science and the Digital Economy and Minister for Small Business, with questions on notice in relation to the estimates. Responses to all the questions were received.

Answers to the Committee's pre-hearing questions on notice; documents tabled during the hearing; answers and additional information provided by Ministers after the hearing; and minutes of the Committee's meetings are included in a volume of additional information tabled with this report.

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<sup>1</sup> Standing Rules and Orders, Schedule 6. The schedule provides that departments, statutory authorities, government owned corporations or other administrative units related to the relevant Minister's responsibilities regarding these areas are included.

<sup>2</sup> Standing Order 177 provides for the automatic referral of the Annual Appropriation Bills to portfolio committees once the Bills have been read a second time.

### **1.3 Other Members participation**

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

- Tim Nicholls, Member for Clayfield
- Deb Frecklington, Member for Nanango
- Jeff Seeney, Member for Callide
- Tracy Davis, Member for Aspley
- Jon Krause, Member for Beaudesert
- John-Paul Langbroek, Member for Surfers Paradise
- Tarnya Smith, Member for Mount Ommaney
- Scott Emerson, Member for Indooroopilly
- Jo-Ann Miller, Member for Bundamba

## **2. Recommendation**

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

The Committee could not reach agreement on whether the proposed expenditure, as detailed in the Appropriation Bill 2016 for the Committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

### 3. Education

#### 3.1 *Department of Education and Training*

The Minister for Education is responsible for two of the three service areas of the Department of Education and Training (DET). The two service areas are:<sup>3</sup>

- Early Childhood Education and Care – focused on engaging all Queensland children in quality early education and care programs that will ensure successful transitions to school.
- School Education – focused on improving the learning outcomes of Queensland students at school to ensure a successful transition to further education, training and/or work; and administering funding to Queensland non-state schools.

The third service area of DET is training and skills, for which the Minister for Training and Skills is responsible.

The Minister's areas of responsibility are administered through DET and the statutory authority Queensland Curriculum and Assessment Authority (QCAA). In accordance with Schedule 7 of the Standing Orders of the Legislative Assembly, the Chief Executive Officer of the QCAA attended the estimates hearing and was available for direct questioning by the Committee.

##### 3.1.1 *Issues raised at the public hearing*

Issues raised by the Committee in relation to Education included:

- the number of assaults on teachers by students and the number of claims lodged by teachers with, and accepted by, WorkCover Queensland between 1 January 2015 and 30 June 2016 that was the result from an assault by a student
- the Department's exclusion and suspension policies; the number of students suspended or excluded from schools, in particular, those in the State's care; and the reporting of physical misconduct on Oneschool
- reforms to improve the implementation of the Australian curriculum in Queensland state schools and to take workload pressures off teachers
- upskilling teachers in STEM via online courses through Griffith University and the Queensland University of Technology
- the impact on students when parents can not pay school fees or charges
- the autism hub
- indigenous student outcomes
  - the education outcomes of students in Aurukun
  - the Queensland Audit Office's audit of enrolment practices
  - the link between community engagement and school attendance in Aurukun

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<sup>3</sup> State Budget 2016-17, Service Delivery Statements, Department of Education and Training, p.3

- strategies to improve education for Indigenous students - including Dialect coaches, the Solid Pathways initiative, the Deadly Science project and the Indigenous Student Ambassadors Program
- the Government's partnership with the Good to Great Schools' Cape York Academy
- catering for growth in the state schooling sector and the capital works program for 2016-17, including funding by region
- relocatable buildings planned for Springfield Central State High School and timeframes for when permanent buildings will be built
- the new senior assessment and tertiary entrance systems for Queensland students
- the School Improvement Unit and its program of school reviews
- the average age of teachers and non-teaching staff; teacher retirement; and the Queensland Public Service Super Fund
- the number of additional teachers per electorate over the term of the government
- the allocation of teacher aide hours per week to support students in state schools in 2016
- supporting children with a disability in Queensland schools
- supporting parent bodies to promote parental engagement with Queensland schools
- the transition for families with children in Early Childhood Development Programs to the NDIS
- funding from Child Safety for additional education support to students in out-of-home care in state and non-state schools
- State schools' Annual Implementation Plans and implementing the Australian Curriculum
- engaging deaf and hard of hearing children through Auslan teaching programs – Sally & Possum
- the Remote Kindergarten Pilot program for remote communities
- funding of Child and Family Centres in Aboriginal and Torres Strait Islander communities
- costings of all Government advertising and communications in the Education portfolio since 1 July 2015
- the total overall cost of all outstanding maintenance projects for Queensland Schools as at 31 March 2016 and 1 July 2015; and the individual cost for the top 20 schools with the most expensive maintenance projects outstanding as at 31 March 2016
- details of external consultants or advisers contracted by either the Minister's Office or the Department in 2015-16
- alleged breaches of the NAPLAN assessment rules between 1 January 2015 to 31 March 2016
- plans for NAPLAN to be online

- the number of DET staff who are classified as permanent and the number of staff classified as temporary, broken down by state school and region, and
- reviews conducted by DET since 1 July 2015.

## 4. Tourism and Major Events

### 4.1 *Department of Tourism, Major Events, Small Business and the Commonwealth Games*

The Minister for Tourism and Major Events is responsible for the service area of *Tourism and Events Development* of the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTEsb).<sup>4</sup>

Tourism and Events Development is focused on promoting the sustainable growth of Queensland's tourism industry through a whole-of-government approach that includes planning and investment in tourism assets and products and the coordination of major events.

The Minister's areas of responsibility are administered through DTEsb and one statutory authority; Tourism and Events Queensland (TEQ). In accordance with Schedule 7 of the Standing Orders of the Legislative Assembly, the Chief Executive Officer of TEQ attended the estimates hearing and was available for direct questioning by the committee.

#### 4.1.1 *Issues raised at the public hearing*

Issues raised by the Committee in relation to Tourism and Major Events included:

- TEQ's major event negotiations
- the provision of forward funding for four years to TEQ to bid for events and to market Queensland
- the increase in Chinese and Japanese tourists to Queensland and the Advance Queensland: Connecting with Asia strategy
- attracting new direct flights to Queensland
- the major events to receive funding from TEQ for 2015 to 2016, and 2016 to 2017
- Brisbane Baroque and payment of artists and creditors
- the cost of producing and publishing the Queensland Tourism Investment Guide for 2016 and the plans for a Chinese language version
- the new partnership arrangements including funding allocations and grants and whether funding is guaranteed across the forward estimates
- TEQ's new marketing approach – focusing Queensland as the master brand and on visitor experiences, and
- DestinationQ Forum held in Mackay on 25 October 2016.

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<sup>4</sup> State Budget 2016-17, Service Delivery Statements, Department of Tourism, Major Events, Small Business and the Commonwealth Games, p.4

## 5. Innovation, Science and the Digital Economy

### 5.1 Department of Science, Information Technology and Innovation

The Minister for Innovation, Science and the Digital Economy is responsible for three broad service areas of the Department of Science, Information Technology and Innovation. The service areas are:<sup>5</sup>

- *Advancing Queensland through innovation* – focused on implementing policies that support innovation-led growth and enhance the state as an innovation hub in the Asia Pacific, with a particular emphasis on research, the entrepreneurial spirit, new technology, capital and ideas
- *Improving services for Queenslanders* – focused on the provision of simple and easy access to government services to Queenslanders; and making it easier for businesses and organisations to engage with government and to ensure the preservation of public records for current and future generations
- *Improving services for government* – focuses on the provision of high quality government-to-government specialist services and advice; setting the strategic direction, advising, providing assurance, piloting and implementing digital government services; and providing scientific advice, information, monitoring and modelling services to underpin policies to protect and enhance Queensland's natural resources and the environment.<sup>6</sup>

#### 5.1.1 Issues raised at the public hearing

Issues raised by the Committee in relation to Innovation, Science and the Digital Economy include:

- the costs associated with corporate branding for Advance Queensland and its initiatives in 2015-16 and the allocation for 2016-17
- the Advance Queensland package and regional Queensland – Regional Innovation Hubs
- funding for the Australian Institute of Tropical Health and Medicine
- funding for the One Stop Shop initiative
- Hot DesQ startup attraction program - the number of jobs and the benefits to Queenslanders
- Accelerate Advance Queensland program – the parameters of the three initiatives that make up the program and evaluating the impacts and benefits
- CITEC - improving and measuring customer satisfaction
- the management of ICT programs and projects, including the ICT Dashboard
- Queensland Shared Services staffing levels including the ratio of frontline staff compared to the total headcount, current vacancies, and reductions in staff in 2015-16
- new data sets to stimulate growth in the digital economy including the 2015 census of Queensland flora

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<sup>5</sup> State Budget 2016-17, Service Delivery Statements, Department of Science, Information Technology and Innovation, pp 3-5

<sup>6</sup> State Budget 2016-17, Service Delivery Statements, Department of Science, Information Technology and Innovation, p 3

- investments in upgrading mobile phone coverage in Queensland and the locations allocated for funding to improve mobile phone coverage
- the number of jobs created by the Advance Queensland allocation of \$180 million over four years
- Advance Queensland's Visiting Entrepreneurs Program
- Advance Queensland PhD Scholarships program
- Advance Queensland programs - examples of the impacts and multiplier benefits identified by other jurisdictions in the implementation of equivalent innovation programs
- instances where the Department has been invoiced for the supply of materials or services, and those materials or services have not been supplied, and
- Queensland Shared Services client agencies.

## 6. Small Business

### 6.1 *Department of Tourism, Major Events, Small Business and the Commonwealth Games*

The Minister for Small Business is responsible for the *Small Business Services* service area of the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB).<sup>7</sup>

Small Business Services is focused on ensuring a seamless interaction between business (particularly small business) and government by delivering products and services that promote growth.

#### 6.1.1 *Issues raised at the public hearing*

Issues raised by the Committee in relation to Small Business:

- the number of people employed in small businesses in Queensland
- the role of the Small Business Champion and possible overlaps with the role of the Chamber of Commerce and Industry in advocating for small business
- the 25% payroll tax rebate for employers and the number of small businesses that can take advantage of the payroll tax threshold
- Meet the Buyer forums
- Advancing Small Business Queensland Strategy 2016 to 2020
- Queensland Small Business Week, 16 to 21 May 2016
- the new Office of Small Business and its services and funding
- Small Business Entrepreneur Grants Program
- measures to reduce the red tape burden on Queensland's small businesses; the timeline for the Red Tape Advisory Council's Annual Report; and whether any red tape reductions were identified
- requests made to the Small Business Advisory Council on small business issues and proposed small business assistance programs and policies, and
- Advance Queensland Knowledge Transfer Partnerships program.

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<sup>7</sup> State Budget 2016-17, Service Delivery Statements, Department of Tourism, Major Events, Small Business and the Commonwealth Games, p.4



## **Statement of Reservation**

Government Members Statement of Reservation  
on following pages

# Statement of Reservation on behalf of Government Members of the Committee

I write to lodge a statement of reservation with respect to the Estimates Inquiry into the Appropriation Bill, specific to the areas under consideration by the Parliamentary Committee for Education, Tourism, Innovation and Small Business. I will briefly detail some of the Government member's concerns with respect to the report. The areas of concern listed below are not exhaustive and Government members will detail additional concerns during the parliamentary debate on the Bill.

## Failure to reach agreement on proposed expenditure

Government members supported the proposed expenditure of the Education, Tourism, Science, Innovation and Digital Economy, and Small Business portfolios. The Government members of the Committee now have grave reservations if the Opposition block the proposed expenditure as the impact of not allowing government expenditure to proceed could halt wages payment of employees and payment of allocated expenditure amongst other financial commitments. The Government members are concerned by this approach and its financial implications for the various government departments and initiatives.

## Highlights of budgetary expenditure

The Committee could not reach consensus on including the budget highlight into the report and have therefore, for open and transparent expenditure to the Queensland public, included the highlight of Government expenditure for the above mentioned portfolio areas in this statement of reservation.

### 1. Education

The following table taken from the Service Delivery Statements for DET compares the appropriations for the department for 2015-16 and 2016-17.

Appropriations	Budget 2015-16 \$'000	Est. Actual	2016-17 \$'000
<i>Early Childhood Education and Care</i>	291,379	242,600	301,148
<i>School Education</i>	7,633,718	7,580,739	7,970,425

Source: Service Delivery Statements: Department of Education and Training, p 16

### ***Budget highlights for Education portfolio***

2016-17 capital highlights for the department include:<sup>1</sup>

- Investment of:
  - \$115.3 million to commence the new stages for four recently opened schools and for the provision of additional classrooms at existing schools in growth areas throughout Queensland

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<sup>1</sup> State Budget 2016-2017, Capital Statement – Budget Paper No3, p 28

- \$57.6 million as part of the \$147.3 million total funding over five years to begin construction of three new primary schools in Caloundra, Coomera and Yarrabilba (Logan)
- \$73.5 million to replace and improve facilities at existing schools
- \$19.3 million as part of \$22.5 million to finish the construction of a new special school in Cairns
- \$19 million as part of \$45 million in total funding to begin construction of the new primary school in North-West Townsville
- \$92.7 million in capital grants provided in 2016-17 to the Non-State School sector.

2016-2017 service area highlights for *Early Childhood Education and Care* include:<sup>2</sup>

- investing \$42.8 million to meet the shortfall in Australian Government funding under the National Partnership Agreement on Universal Access to Early Childhood Education
- providing \$10.3 million to improve access by Aboriginal and Torres Strait Islander families to early education, family support and maternal health services provided by 10 Children and Family Centres in Queensland; and partnering with the Institute of Indigenous Urban Health to promote early childhood education through the Deadly Kindies program
- providing families a 12 month membership with Playgroup Queensland upon the birth of their child
- delivering greater access to Kindergarten in the remote communities of Aramac, Augathella, Bedourie, Birdsville, Boulia, Dingo, Greenvale, Muttaborra, Pentland, Thargomindah and Valkyrie through the Remote Kindergarten Pilot in state schools
- providing \$3.7 million to Kindergarten services to support children with disabilities to engage in early learning
- launching the first early learning video series and applications for deaf or hearing impaired children who use AUSLAN as their primary language – the first of its kind in Australia
- implementing the 2016-19 Early Childhood Education and Care Workforce Action Plan.

2016-2017 service area highlights for *School Education* include:<sup>3</sup>

- allocating 290 additional teachers to Queensland schools to reduce class sizes and to provide further support to teachers and principals; and providing an additional 15 guidance officers (or equivalent) to state high schools to improve counselling and career advice services to students
- providing \$102 million in funding over four years, and ongoing funding, to implement the findings of the Review of Administrative and Support Staff

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<sup>2</sup> State Budget 2016-17, Service Delivery Statements, Department of Education and Training, p.4-5

<sup>3</sup> State Budget 2016-17, Service Delivery Statements, Department of Education and Training, p.7-8

- implementing the new senior assessment and tertiary entrance systems for commencement in 2018, an investment of \$24.3 million of \$72.4 million over four years
- investing \$2 million of the \$6 million three year program to improve the teacher classification system and pay structure
- investing \$73 million (plus ongoing funding from 2019 - 2020) as part of the second year of the government's \$300 million four year commitment to supplement the state school's maintenance program
- providing \$10 million of the \$30 million over three years for priority minor works in state schools
- supporting teachers and schools to deliver a science, technology, engineering and mathematics (STEM) based education to Queensland students as outlined in Advancing Education: An Action Plan for Education in Queensland
- introducing legislation to make Prep the first year of compulsory schooling
- improving the reading outcomes for Aboriginal and Torres Strait Islander students who are learning English as an Additional Language or Dialect (EAL/D) through the provision of Regional EAL/D Coaches, a Principal EAL/D Coach and the Indigenous Language Perspectives team
- improving the learning outcomes of students with learning needs through the provision of :
  - autism coaches, inclusion coaches and mental health coaches in each of the department's regions
  - supporting, training and teaching strategies to teachers and parents of children with autism through the Autism Hub
  - specialist reading training and advice to parents and teachers for teaching children with dyslexia, and
  - speech-language therapy services for students in select remote and rural schools using telepresence technology.

## 2. Tourism and Major Events

The following table taken from the Service Delivery Statements for DTEBS compares the appropriations for the department for 2015-16 and 2016-17 for *Tourism and Events Development*.

<b>Appropriations</b>	<b>Budget 2015-16 \$'000</b>	<b>Est. Actual</b>	<b>2016-17 \$'000</b>
<i>Tourism and Events Development</i>	192,220	146,285	213,016

Source: Service Delivery Statements: DTEBS, p 10

### ***Budget Highlights for the Tourism portfolio***

2016-2017 service area highlights for *Tourism and Events Development* include:<sup>4</sup>

- continuation of the Tourism Demand Driver infrastructure program, including improving tourism capabilities, quality standards and new tourism facilities
- attracting new direct flights to Queensland through the Attracting Aviation Investment Fund
- encouraging ecotourism investments and tourism initiatives that promote and protect the Great Barrier Reef

### **3. Innovation, Science and the Digital Economy**

The following table taken from the Appropriation Bill 2016 compares the appropriations for the department for 2015-16 and 2016-17.

<b>Appropriations</b>	<b>Budget 2015-16 \$'000</b>	<b>Est. Actual</b>	<b>2016-17 \$'000</b>
<i>Controlled Items</i>			
departmental services	324,729	266,860	294,567
equity adjustment	(7,689)	1,610	(4,444)
<i>Administered Items</i>	71,625	57,882	70,318
<b>Vote</b>	<b>388,665</b>	<b>326,352</b>	<b>360,441</b>

Source: Appropriation Bill 2016, Schedule 2, p. 11.

The total capital purchases for the Department of Science, Information Technology and Innovation in 2016-17 are \$17.4 million with \$8.5 million in capital grants. Capital grants funding of \$8.2 million has been allocated for the establishment of the Australian Institute of Tropical Medicine and to strengthen Queensland's readiness to combat biosecurity risks.

### ***Budget highlights for the Science, Innovation and Digital Economy portfolio***

2016-17 capital highlights for the department include:

- Investment of:<sup>5</sup>
  - \$5.9 million for consolidation and upgrade of finance and human resource systems managed by Queensland Shared Services
  - \$3.1 million for replacement of vital assets and critical information brokerage software enhancements in CITEC
  - \$2.9 million for ongoing replacement of departmental assets including scientific equipment
  - \$2.1 million to Smart Service Queensland for a new telephony solution that will improve the delivery of call centre services to the government and to the public; and \$1.1 million to replace its Content Delivery System which is critical to the call centre

<sup>4</sup> State Budget 2016-17, Service Delivery Statements, Department of Tourism, Major Events, Small Business and the Commonwealth Games, p.6

<sup>5</sup> State Budget 2016-17, Capital Statement – Budget Paper No. 3, p 108

- \$1.8 million to the Library Board of Queensland to purchase new collections and to replace information technology and micrographic equipment.
- \$1.1 million to Smart Service Queensland
- \$400,000 for the receipting software for the One-Stop Shop initiative and finalising of Phase 2 deliverables.

2016-2017 service area highlights for *Advancing Queensland Through Innovation* include:<sup>6</sup>

- increasing the momentum of Advance Queensland programs by fostering innovation across regional Queensland, supporting Queensland industries and businesses to innovate and improve products and services; and deepening partnerships across business, industry and research sectors
- opening the Australian Institute of Tropical Health and Medicine at James Cook University Townsville campus
- continuing Advance Queensland Community Digital Champion and Digital Careers programs to help Queenslanders become more digitally aware and innovative
- building on the state's Open Data initiative by releasing the next wave of high value Queensland datasets to stimulate opportunities for start-ups, entrepreneurs, researchers, local business and community organisations in the digital economy.

2016-2017 service area highlights for *Services for Queenslanders* include:<sup>7</sup>

- releasing a new version of qld.gov.au and easy pay capabilities to support customer payments
- progressing the review of the *Public Records Act 2002* to ensure the integrity of records for the benefit of present and future generations
- implementing the outcomes from the review of the strategic direction of the Queensland State Archives (QSA) and continuing to progress a digital archives solution.

2016 – 2017 service area highlights for *Services for Government* include:<sup>8</sup>

- coordinating reef science projects to inform land management practices and understand water quality impacts on the Great Barrier Reef – projects such as the Paddock to Reef Integrated monitoring, modelling and Reporting Program and Department of Environment and Heritage Protection's Reef Water Quality Science Program
- utilising digital soil mapping approaches for consistency in spatial soil data sets to inform better land management practices
- communicating climate change risks at a regional scale by providing high resolution climate change projections for Queensland, an interactive climate change website and regional workshops

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<sup>6</sup> State Budget 2016-17, Service Delivery Statements, Department of Science, Information Technology and Innovation, p 5

<sup>7</sup> State Budget 2016-17, Service Delivery Statements, Department of Science, Information Technology and Innovation, p 8

<sup>8</sup> State Budget 2016-17, Service Delivery Statements, Department of Science, Information Technology and Innovation, p 10

- leading and embedding ICT category management across the Queensland Government to ensure whole-of-government needs are met
- managing large scale contracts on behalf of government agencies to ensure the success of the Government Wireless Network, ICT in the 1 William Street building and Mobile Phone Coverage
- completing the implementation of the 1 William Street ICT program
- delivering an on-boarding program for State Emergency Services to utilise the Government Wireless Network.

#### 4. Small Business

The following table taken from the Service Delivery Statements for DTEBS compares the appropriations for the department for 2015-16 and 2016-17 for *Small Business Services*.

Appropriations	Budget 2015-16 \$'000	Est. Actual	2016-17 \$'000
<i>Small Business Services</i>	12,966	10,400	18,809

Source: Service Delivery Statements: DTEBS, p 10

#### ***Budget highlights for the Small Business portfolio***

2016 to 2017 service area highlights for *Small Business Services* include:<sup>9</sup>

- implementing the Advancing Small Business Queensland Strategy and the establishment of the Office of Small Business to help small businesses grow
- expanding the Queensland Entrepreneurs of Tomorrow program to include new and home-based businesses and supporting the growth of businesses owned by women and Aboriginal and Torres Strait Islander people
- continuation of the Queensland Small Business Advisory Council and Red Tape Reduction Advisory Council to provide direct input to Government on issues facing the small business sector.

#### **Conclusion**

Government members are of the view that the state budget forms the cornerstone of the economy and is deeply disappointed that the Opposition members of the Committee could not agree to the expenditure of the various portfolio areas.

The Government members are concerned that there was no agreement to include the open and transparent financial accountabilities to the taxpayers of Queensland in the official report on the Estimates process.

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<sup>9</sup> State Budget 2016-17, Service Delivery Statements, Department of Tourism, Major Events, Small Business and the Commonwealth Games, p.6

Government members would like to thank all those involved in the Estimates process with the Education, Tourism, Innovation and Small Business Committee including the work of the Secretariat and associated staff.

As previously mentioned, these areas outlined not exhaustive and Government members will detail additional concerns during the parliamentary debate in the house.

A handwritten signature in black ink, appearing to read 'Scott Stewart', written in a cursive style.

Scott Stewart MP

Chair

Education, Tourism, Innovation and Small Business Committee

## **Statement of Reservation**

Non-Government Members Statement of Reservation  
on following pages

The Palaszczuk Labor Government's second budget is best characterised as a budget of raids, write-downs and rip-offs with no long-term cohesive economic plan to create jobs and grow the Queensland economy.

This Committee reviewed the budget for the Minister for Education and Minister Tourism and Major Events, the Minister for Science, Innovation and the Digital Economy and Small Business.

## **Education**

This year's budget was said to be a record spend in the education portfolio, yet as the Committee discovered before the hearing had even commenced, the Department missed 14 of its key performance targets. The hearings further highlighted the fact that despite recording spending in the portfolio there was a sense the portfolio could still do better. Under questioning the Minister confirmed teachers were being subjected to violence by students and this was leading to ongoing issues of workers compensation. This led to further questions raised about the increased number of short and long term suspensions and the lack of planning to address the growing unrest presented in schools. It was disappointing that it took for the Estimates hearing to have the Government announce a glossy brochure and campaign to protect teachers from violence against parents.

The non-Government members of the committee are concerned that the Minister for Education was not informed of growing violence and safety concerns raised by local staff in Aurukun in the months leading up to the rushed closure of the school five months later. There is a significant public investment being made to boost Indigenous student outcomes, yet on examination, the Committee found attendance was still a critical issue that remained a major impediment to achieving these outcomes and the Government was not working to address it. There is evidence to suggest that despite the fanfare of claiming the Government was commencing year 7 and 8 in community for children in Aurukun, not a single student attended first day and that attendance is still extremely low, despite between 27 to 28 eligible students in community.

During non-Government committee member questioning evidence was presented around the follow up responsibilities of Education Queensland when a mandatory report of suspected child abuse is made to the Department of Child Safety. It was not clear how structured this was or how Education Queensland was ensuring the safety of children at risk of harm in light of child safety investigation backlogs. The non-Government members of the Committee hold reservations with the level of accountability and reporting by the Department when it comes to funding provided to deliver extra education supports to children identified as being in the care of Child Safety Services.

At the time of the hearing, negotiations were still underway around future pay rises for Queensland public school teachers and it is the non-Government members held reservations that such negotiations were being pushed by the Union for higher wages over and above the 2.5 per cent whole of Government wage increase policy.

Reservations are also held at the lack of openness and transparency displayed by the Minister and the Government over her refusal to provide information as requested during the pre-hearing question on notice process. On the issue of school maintenance backlogs, it is concerning the Minister refused to release a breakdown of the backlogs as was requested, claiming the information was over 80 pages long. This refusal to release the information for public scrutiny undermines the entire estimates process. If non-Government members are unable to access and analyse how the budget for the Department is being expended against key items such as capital works maintenance there is no way the Committee can make an informed judgement on the expenditure process.

Overall, the non-Government committee members found the Government questioning unhelpful and lacking in true analysis of the budget process. The Minister's constant attempts to compare decisions of the previous LNP Government was inappropriate and out of order given the 2016/17 budget is the second for the Palaszczuk Labor Government.

### **Tourism and Major Events**

The Committee heard evidence in relation to the negotiation of the contract for the Rugby League World Cup. It was confirmed by the CEO of Tourism and Events Queensland that the agreement, as all agreements do, contained a confidentiality clause. The LNP Opposition has significant concerns that in trying to gain publicity for herself, the Minister may have breached that confidentiality clause by releasing information to the Courier Mail on Saturday 16 July, 3 days before the official announcement by Rugby League World Cup on Tuesday 19 July. In the story published in the Courier Mail on 16 July, the Minister even had several quotes. It was even more bizarre that the Minister tried to deflect the questions being put to her in Estimates by making out that the Daily Telegraph in Sydney had a story about this issue and to try and trump that story she had to get on the front foot. Why would a New South Wales publication make an announcement about an event in Queensland? No doubt this was simply an attempt by the Minister to deflect the issue. The LNP Opposition has significant concerns that the occurrence of such events will cause Queensland to gain the reputation that it cannot be trusted to deal with confidential material and we will lose out on future major events as a result. Under the Minister's watch we have already lost a State of Origin game to Perth and we believe this latest episode may put a future NRL Grand Final at Suncorp Stadium at risk.

There are serious questions about this Government's commitment to seeing the AQUIS resort development proceed in Cairns. Despite the Treasurer previously pushing for approvals to be fast-tracked, the Minister informed the Committee that she did not even consult with the Treasurer about significant projects to be included in the Queensland Tourism Investment Guide. As the Treasurer controls the State's purse strings, and Treasury would be ultimately responsible for assessing the value of the development to Queensland against any government support, this shows an outrageous lack of co-ordination, communication and common vision at the top of the Labor Government. If Tourism does not talk to Treasury, how can the State know how to best support the tourism sector?

The Queensland Tourism Investment Guide remains a thorn in the side of the Minister and despite previous versions being pulped, there were further errors exposed in the latest version – this time about the Aquis integrated resort development, just north of Cairns. It is hard to keep track, but version 6 could well be on the way. When it was first announced in late 2015, the Minister trumpeted it as a first of its kind. Given the dramas this has caused the Minister, it could be a long time before another Guide is released. We might need to engage a translator to see if there are any errors in the Chinese language version of the Guide, which has also been released. All of the bungles and mistakes has made this Guide nothing more than an embarrassment for the Minister.

As highlighted during the Estimates Hearings, a significant amount of public money is invested in attracting major events to Queensland, with little clarity on how that money is actually spent. The LNP Opposition supports attracting major events to Queensland, but we also believe it is critical that taxpayers get the best value for money. The lack of detail regarding major events funding that was provided at Estimates makes it impossible to say whether Queenslanders are getting best bang for their buck.

As an example, there has been a considerable amount of public and media commentary regarding the Brisbane Baroque Festival, including issues around non-payment of musicians, performers and

creditors following the 2016 event. This is an event which has attracted funding from Tourism and Events Queensland over a three-year contract period. Despite significant concerns around the event, and whether it will continue in 2017, there was a distinct lack of information provided by the Tourism and Events Queensland CEO Leanne Coddington when questioned on this topic. After a series of repeated questions, the Member for Clayfield was able to ascertain that TEQ had successfully contacted one of the event's representatives regarding the financial issues associated with Brisbane Baroque, but not much detail was provided beyond that. The Member for Clayfield spent a considerable amount of time asking questions on this issue, because it is vitally important that when public money is used to attract an event to Queensland, the many people who provide services with the expectation of receiving fair payment receive what they are owed. Government has a responsibility to use its resources to ensure this is the case. The LNP Opposition is disappointed these important questions were not more appropriately answered to provide those assurances to the people involved and the taxpayers of Queensland who helped fund this event.

### **Science, Innovation and the Digital Economy**

Despite innovation being the buzzword of this Government, and a centrepiece in this year's budget through Advance Queensland, the Committee heard evidence that there had been a \$36M underspend in the allocation for 2015/16. The LNP Opposition also raised questions about how many direct jobs had been created out of the program thus far and after numerous attempts by the Minister to not answer the question, and with the assistance of the Director-General, the Committee learnt that to date there had been 121 jobs created. That is over \$500,000 of taxpayer investment per job. With a government asleep at the wheel, unemployment rising and no economic plan to grow the economy, Queenslanders want to hear about how innovation is creating jobs – real jobs now, not possible jobs in the future. The LNP has significant concerns that Advance Queensland will not live up to anywhere near the hype that has been put around it. How can it be expected to create jobs in the future, when it is not even creating jobs now. We also have concerns that Queensland companies, like RF Technologies, are missing out on being recipients of assistance through Advance Queensland in favour of large multinational companies like Boeing.

### **Small Business:**

The LNP Opposition was astounded by the Small Business Minister's lack of understanding of the small business sector and the issues confronting it.

As highlighted yet again by the Suncorp-CCIQ Pulse Survey of Business Conditions released on August 5, business confidence in Queensland is at extremely low levels and it's easy to see why following the Minister's performance at Estimates.

The small business section of the hearing started with the Minister jumping in over the top of the Member for Indooroopilly proclaiming there were 406,000 small businesses in Queensland, but when asked the Minister was unable to say how many people were employed by those 406,000 small businesses.

The LNP spent considerable time asking the Minister about her proposal to create a Small Business Champion. In creating a Small Business Champion, the Minister is effectively employing another bureaucrat to do what should be her job. Despite claiming support from the small business community for this initiative, the Minister could not say whether a key stakeholder like the Chamber of Commerce and Industry Queensland supported the introduction of a Small Business Champion.

This inability to answer questions continued for the remainder of the hearing. The Minister was unable to provide a list of specific red tape reduction initiatives actioned or implemented by the

Palaszczuk Government. Seemingly, the only action in this space has been the creation of a draft report which identified three industry sectors, but without any actual deliverables. Similarly, the Minister was unable to provide a list of requests she had issued the Small Business Advisory Council. This is just further evidence the Minister is asleep at the wheel when it comes to small business.

The Minister again refused to outline her support the Federal Coalition Government's proposed changes to the effects test. These changes were first announced in March 2016, and the Federal Government is currently consulting on an exposure draft. The announced reforms have received the support of key small business and consumer advocates, including Australian Competition and Consumer Commission chair Rod Sims. As the advocate for the Small Business community, the Minister's support for this important change to enhance competition should be a no brainer.

Most worrying of all, was the Minister's lack of understanding of how Queensland's payroll tax system works. The Minister could not say how many businesses in Queensland sit below the payroll tax exemption threshold. The following extract from the hearing illustrates the level of the Minister's misunderstanding:

*Ms ENOCH: We have the lowest payroll tax threshold in mainland Australia. That is a very positive position to be in.*

For the record, Queensland has the highest payroll tax exemption threshold of any mainland state, and the lowest overall payroll tax rate. The Minister for Small Business should be aware of these simple facts, but worryingly, as evidenced through the Estimates process, she has no idea.



**Verity Barton**  
**Member for Broadwater**



**Mark Boothman**  
**Member for Albert**



**Steve Dickson**  
**Member for Buderim**