



Estimates Committee B

2010

Report to the Legislative Assembly

Introduction

The Legislative Assembly appointed Estimates Committee B (the committee) on 20 May 2010, in accordance with Standing Order 167(3), to investigate and report on the proposed expenditure contained in the *Appropriation Bill 2010*. Organisational units within the portfolios of the following Ministers were allocated to Estimates Committee B:

- Deputy Premier and Minister for Health; and
- Minister for Education and Training.

The appropriation summary for 2010-2011 for the Department of Health and Department of Education and Training is outlined in the table below.

Table: Appropriation summary for 2010-11 for the Department of Health and Department of Education and Training

	Budget 2009-10 \$'000	Est. Actual 2009-10 \$'000	Vote 2010-11 \$'000
Department of Health	9 298 564	9 192 882	10 290 716
Department of Education and Training	10 363 827	10 673 655	10 286 577

Source: *Appropriation Bill 2010*

On 14 July 2010, the committee conducted a public hearing to gather evidence pertaining to the budget estimates for the Deputy Premier and Minister for Health and the Minister for Education and Training. A transcript of the committee's hearing can be accessed online at:

<http://www.parliament.qld.gov.au/view/committees/EC.asp>

Prior to the public hearing, the committee provided the Deputy Premier and Minister for Education and Training with twenty questions on notice. The Ministers provided responses to all of the committee's questions on notice.

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

- the budget papers;
- answers to pre-hearing questions on notice; and
- evidence taken at the hearing.

The Ministers' answers to the committee's pre-hearing questions on notice together with the minutes of the committee's meetings are included in a volume of additional information tabled with this report.

Deputy Premier and Minister for Health

The Deputy Premier and Minister for Health has ministerial responsibility for Queensland Health and a number of statutory bodies including the Queensland Institute of Medical Research and the Health Quality and Complaints Commission.¹

Some of the key funding initiatives for the Department of Health in 2010-11 include:²

- \$484.5 million operational and \$257.4 million capital funding over four years under the National Health and Hospitals Network Agreement;
- \$194.5 million operational and \$179.3 million capital funding over four years to provide new or upgraded cancer centres throughout Queensland;
- \$5.5 million additional funding in 2010-11 (\$16.5 million over four years) to deliver Children's Hearing Services;
- Total funding of \$111.6 million operational over four years and \$26.1 million capital over two years to enhance services on the Sunshine Coast;
- \$6.85 million capital funding in 2010-11 (\$121.2 million over four years) to be invested in a Priority Capital Program;
- \$39.1 million operational funding over four years to implement the *Statewide Persistent Pain Health Services Strategy 2010-15*;

¹ State Budget 2010-11, Service Delivery Statements, Book No. 3, p. 119.

² State Budget 2010-11, Service Delivery Statements, Book No. 3, pp. 120-121.

- \$8.5 million operational funding over four years to launch a mental health social marketing campaign;
- \$25 million additional funding contribution in 2010-11 (\$45 million total funding over four years) towards building and operating dental clinic training facilities at James Cook University Cairns and Townsville campuses; and
- \$7.8 million additional funding in 2010-11 (\$31.2 million total funding over four years) to support the Queensland Institute of Medical Research.

Issues raised at the public hearing

Issues the committee raised with the Deputy Premier at the hearing held on 14 July 2010 include:

- Queensland Health employee expenses, ministerial briefings and the payroll system;
- Implementation of the Statewide Persistent Pain Health Services Strategy;
- Dental clinic training facilities at James Cook University;
- The performance of emergency departments;
- Health controlled expenditure and population growth;
- Cancer centres in Queensland;
- Cost of the implementation of the payroll stabilisation project;
- Funding in Gladstone Base Hospital;
- Emergency department beds;
- Dentists in regional areas;
- Health service infrastructure planning process;
- Funding for Intensive Care Units;
- Funding for renal services;
- Oral health needs of Queenslanders;
- Indigenous and non-Indigenous health outcomes;
- Queensland Children's Hospital project;
- Hear and Say Centre funding;
- Queensland Bowel Cancer Screening Program;
- Hydrotherapy pool services;
- Priority Capital Program;
- Rural and remote health workforce;
- Emergency department performance indicators;
- H1N1 2009 Human Swine Influenza;
- Waiting times in emergency departments;
- Children's hearing services;

- Patient waiting lists for elective surgery; and
- The Mental Health Stigma Campaign and suicide.

Minister for Education and Training

The Minister for Education and Training is responsible for the Department of Education and Training and a number of statutory authorities including the Queensland Studies Authority, Southbank Institute of Technology and the Gold Coast Institute of TAFE.³

Some of the key funding initiatives for the Department of Education and Training in 2010-11 include:⁴

- Investment of \$8.179 billion in recurrent funding and \$1.381 billion in infrastructure;
- Continuing the roll-out of its \$72.3 million three year Literacy and Numeracy Action Plan;
- Development and implementation of the Queensland Government's position in relation to *A Flying Start For Queensland Children*;
- Investments in infrastructure for schools, such as \$207 million to complete the State Schools of Tomorrow Program;
- Funding of over \$500 million in 2010-11 for vocational education and training;
- Investment in training infrastructure during 2010-11 including \$36 million to continue the development of the SkillsTech Australia major trade and technician skills campus at Acacia Ridge;
- Investment in existing community kindergartens with the provision of \$43.9 million; and
- Funding of \$321 million over five years to provide up to 240 extra kindergarten services by 2014.

Issues raised at the public hearing

Issues the committee raised with the Minister at the hearing held on 14 July 2010 include:

- Departmental resources and the estimates process;
- Building the Education Revolution Program funding;
- Reports in relation to the funding of projects in schools;
- Spending for asbestos removal in Queensland schools;
- Independent audit of asbestos management in Queensland state schools;
- Expenditure on classroom maintenance;
- Flying Start Discussion Paper;

³ State Budget 2010-11, Service Delivery Statements, Book No. 3, p. 66.

⁴ State Budget 2010-11, Service Delivery Statements, Book No. 3, pp. 67-71.

- Impact on staffing with proposed move of year 7 to secondary school;
- Educational outcomes for Indigenous students;
- Funding for Gladstone TAFE and training organisations;
- Planning for student population increases;
- School attendance initiatives;
- Special assistance schools;
- Implementation of National Assessment Program – Literacy and Numeracy;
- Responses to bullying and violence in schools;
- Review of teacher accommodation;
- State Schools of Tomorrow Program;
- Low Density Board;
- Programs for students at risk of disengagement from school;
- Review of teacher education;
- Total 2010-11 proposed budget for Education and Training;
- Education Queensland payroll system;
- Students with disabilities;
- Southbank Institute of Technology;
- Total budget for vocational education and training;
- School based apprentices and trainees;
- Proposed Queensland skills commission (Skills Queensland);
- Reform of funding arrangements for training;
- Pre-apprenticeship Skilling Pathway;
- The economic growth cycle and apprenticeships;
- Queensland training system and national changes in migration arrangements;
- Small schools and enrolments;
- Cost of new equipment for schools;
- Funding for kindergartens;
- Amendments to the Child Care Act 2002;
- Access to early childhood education;
- Funding for children and family learning centres;
- Early learning and care centres;
- Funding allocated for teacher housing acquisitions;
- Funding for special schools;

- Funding model for kindergarten services;
- National quality reforms for early childhood education and care;
- Early childhood teaching scholarships; and
- Early Years Learning Framework.

Recommendation

The committee recommends that the proposed expenditure, as detailed in the *Appropriation Bill 2010*, for the organisational units and portfolios allocated to it, be agreed to by the Legislative Assembly without amendment.

Mr Kerry Shine MP
Chair

August 2010

Committee Members

Mr Kerry Shine MP (Chair)
Member for Toowoomba North

Mrs Liz Cunningham MP (Deputy Chair)
Member for Gladstone

Mr Mark McArdle MP
Member for Caloundra

Mrs Julie Attwood MP
Member for Mount Ommaney

Dr Bruce Flegg MP
Member for Moggill

Ms Jan Jarratt MP
Member for Whitsunday

Ms Barbara Stone MP
Member for Springwood

Secretariat

Ms Erin Pasley (Research Director)

Ms Anne Fidler (Executive Assistant)

Statements of Reservation

Submitted by:

Mr Mark McArdle MP
Shadow Minister for Health
Member for Caloundra

&

Dr Bruce Flegg MP
Shadow Minister for Education and Training
Member for Moggill

STATEMENTS OF RESERVATION

Health

Secretary of Committee B

I refer to the draft report for Estimates Committee B and submit a statement of reservations on the report in relation to the Health portfolio and some general comments on the process of Estimates Committee hearings.

General comments on the Estimates process

There are a number of general reservations that need to be made in relation to the Queensland Estimates Committee process:

- The structure of the Budget Papers, and in particular the Service Delivery Statements, do not provide sufficient detailed information to enable proper scrutiny of activities and expenditures undertaken by Government
- Insufficient time is allocated for hearings by Estimates Committees when considering particular portfolios
- Insufficient opportunities are provided for hearings by Estimates Committees throughout the year
- Opposition Members are provided with insufficient time during Estimates Committees Hearings to pursue issues
- There is a continued failure by Government Ministers to allow Public Servants and Statutory Officials who exercise direct responsibility for the conduct of activities to directly answer questions posed by Members
- No mechanism exists to require full, direct and honest answers to Questions on Notice
- No mechanism exists to require Ministers to fully, directly and honestly answer questions posed during Hearings

Specific comments on the Health portfolio

With respect to the Health portfolio scrutinized by the Committee, the following reservations are made:

- The amount of hearing time allocated to a \$10bn portfolio is entirely inadequate;
- The failure of the health payroll system is one of the most critical and visible issues facing Queensland Health and is severely impacting on the lives of health staff and their families. The distress caused by the absolute lack of professionalism in its implementation is a serious indictment on the Ministers capacity to hold his position. Accordingly, the Opposition devoted the majority of questioning to this issue. Due to the inadequate time for questioning, it is unfortunate that many other serious issues and concerns with the Health system could not be adequately addressed;
- The payroll crisis represents a monumental failure of public administration for which the Minister is ultimately responsible. It is totally astounding that at the Estimates hearing the Minister was unable to confirm that he ever sought a briefing at any time before the payroll

system went 'live' as to the full implications of the payroll system, whether or not there were any problems with it, and what action could be taken;

- The Minister's approach to being held accountable is far from adequate. The Minister repeatedly failed to answer questions about his conduct prior to the payroll system going 'live';
- In regards to questions about overcrowded Emergency Departments, the Minister did not appear to take the concerns seriously and spent most of his answer querying the accuracy of government figures cited by the Opposition even though the data is forwarded to his office;
- It is very serious and concerning that the Minister confirmed that there will not be a dedicated hydrotherapy pool at the Royal Children's Hospital. The reasons for the lack of a hydrotherapy pool outlined by officials at the hearing were weak;
- The National Health and Hospitals Network Agreement will significantly change the way the health system is funded and operates. The budget contained scant detail on the impacts of the Agreement and the response to a Question on Notice seeking greater detail went unanswered - again highlighting the critical lack of detail known about the alleged 'reform' process;

Signed

A handwritten signature in black ink, appearing to be 'Mark McArdle', written in a cursive style.

Mark McArdle MP
Shadow Minister for Health
Member for Caloundra



Dr Bruce Flegg MP
Shadow Minister for Education and Training
Member for Moggill

Statement of Reservations Estimates Committee B

Firstly in relation to the conduct of the committee I would question the Government's motive in combining the two largest budget expenditure items Health and Education into the one committee and therefore to a single day of hearing despite Estimates occupying two weeks of the Parliament's time and the Parliament's resources.

Together Education and Health occupy around half of the Queensland Budget.

If one was cynical one could suggest that, given the very limited space available for media scrutiny of answering at State Estimates Committees, that the Government felt attention could be restricted by having them on the same day.

Also at a very late stage a request was received from the Minister's office to devote an hour of the four hour hearing to the Office of Early Childhood. The excuse given, which is looking a little lame after the same excuse was used last year, that staff of the Office of Early Childhood would not need to attend for the whole sitting. By this principle one might assume that the same consideration was not extended to the staff that are involved in the area of training, for example. It is a precedent that might well be utilised in other areas by the Government to try and direct the areas to which the Opposition are allowed to direct their questions.

This issue occupied a disproportionate amount of the committee's time and as far as I am concerned it is entirely inappropriate for the Minister to be trying to direct the time and length devoted to questions within a section of his ministerial duties.

Perhaps the Minister felt comfortable in the area of the Office of Early Childhood and had a preference to be questioned in this area.

In any case it is utterly unacceptable. The Minister and his department are there to account for their stewardship of billions of dollars of taxpayers' money. They should be prepared throughout the very limited time available for questioning to answer questions on any part of their responsibility. Should the non-government members or even for that matter the government members wish to ask questions in this area for a longer duration, or at a time that is appropriate given their line of questioning, they should not be prevented from doing so and I sincerely hope that this attempt at ministerial control of questioning at Estimates will not be revisited next year.

It should also be noted that non-government members work co-operatively to divide the questions between Opposition members and members on the cross benches. Restricting the time at which members can ask questions on particular parts of the portfolio makes for significant practical issues for the division of questioning between Opposition members of the committee and members on the cross benches.

My other comment in relation to the conduct of the committee reflects on the Minister's conduct within the committee. My first question was about how much time he had utilised departmental resources to practise for the Estimates committee.

Judging by the Minister's desperate attempt to avoid scrutiny of his budget and avoid answering the genuine issues raised in Opposition questions it appears the amount of time spent practising wasn't enough.

I also note that during the first two hours of hearings whilst the Minister was at all times engaged in being questioned or answering questions from members of the committee, he was also able to release a media statement containing direct quotes from himself relating to questions asked during the session. This raises concern as to whether the quotes Mr Wilson published, that comment directly on matters raised during the session of committee hearings, were in fact the Minister's or whether in fact other staff members claiming to be the Minister were commenting about the proceedings of the committee without the Minister's knowledge.

Before dealing with some of the concerns relating to the Education Budget that were raised in the committee by the Opposition I would like to compliment the Chairman of the Committee, Mr Kerry Shine. Mr Shine conducted the committee very well and fairly in my view and was confronted by some heated exchange relating to the Minister's request that the committee limit Opposition members to questions on certain areas of the portfolio at certain times. Mr Shine was also confronted with the Minister's strenuous attempts to avoid answering clearly legitimate questions about aspects of his budget by attempting to invoke a technicality that a particular line or page of the budget must preface any question asked of him. It is my understanding that the Estimates committee is to engage in a broad ranging assessment of the budget and it would be very difficult to pick any questions that were submitted to the committee that did not relate to spending within the Education portfolio. I found it extraordinary that the Minister would try to escape answering a number of questions on this basis given that firstly it is incorrect that such a reference must preface every question asked of him and secondly it is clearly outside the spirit in which Estimates committees are conducted to seek to hide behind some sort of narrow and technical interpretation of the Standing Orders in order not to be held accountable for the billions of dollars of taxpayer funding for which he has responsibility.

Building the Education Revolution (BER) Funding

- \$2.1 billion is being spent in Queensland under the BER and numerous examples of waste and inefficiency have been identified across the State. Among the areas of waste is over a dozen schools which are being considered for closure which have had hundreds of thousands of dollars spent on each of them amounting to many millions of dollars on buildings. In press releases the Minister has maintained that these buildings would be removed to other sites, yet when questioned in Estimates about the ultimate cost of doing this and the fact that once BER money has been expended the cost of relocating buildings, in some cases long distances (which may exceed the value of the building) appears to have no funds budgeted. This raises the question as to whether the Government are serious about their multi-million dollar school building relocation program or whether it is just something they put in press releases to hide their embarrassment about wasting millions of dollars on schools being considered for closure.
- When asked about some specific examples, such as Glenore Grove State School the Minister avoided answering the question. The Minister simply tried personal attack on the Opposition but certainly was unwilling to explain why

these large items of expenditure could not be arranged in such a way as to provide schools with the facilities they were actually requesting.

- The Minister spent a lot of time using the old debating tactic of “appealing to a higher authority” by constantly referring to Price Waterhouse Cooper’s reports. When the Opposition raised the issue that neither of the two Price Waterhouse Cooper’s reports released publicly contained a detailed analysis of the costing of even one BER project nor did either report contain a detailed analysis of the costing of projects within State schools compared to those conducted by private schools the Minister was caught out that his higher authority’s reports were in fact not specifically directed at the issue before the committee of value for money in the BER program. Perhaps that explains why he needed to resort to personal attack.

Flexible Learning Services

- I raised the most serious issue of the withdrawal of funding and support by the State Government for youths at risk of disengagement and students suspended or expelled from Queensland State schools.

The Minister began by disputing that any programs were under threat of closure, despite the fact that budget allocations for flexible learning services had ceased and valuable programs such as the GAP program on the Fraser Coast had already faced the threat of closure. They kept operating on the generous support from local service clubs. I hope that the Minister was not knowingly attempting to mislead the Parliament given that there were a number of programs around the State that were under the threat of closure. It is disappointing that the Minister doesn't even appear to know what is happening with these important programs in his own portfolio. It is even more glaring given that the Opposition has asked a question in Parliament on this very program (Question on Notice 1008) and the program which is staffed by Queensland State high school teachers has waged a vigorous campaign to try and obtain enough support to continue operating.

In fact it was somewhat astonishing that during the discussion of this important program for youths in serious trouble and likelihood of disengagement, that the Minister raised points of order seeming to dispute whether it was legitimate to discuss such State Government programs funded by his department, in the context of the State Budget was quite unbelievable.

The Minister, when asked about another Fraser Coast program that has had its Federal funding ceased, but a program that supports children suspended and expelled from the Minister’s departments own state schools here in Queensland, he did not consider such a program was his concern because it had once received Federal funding. Again quite extraordinary.

National School Pride Program

- I asked questions in relation to the handling of money under the National School Pride Program. A Federally funded program, which is administered by the State Education department and appears in the State Education Department’s Budget. The Minister again sought to avoid answering questions on the National School Pride Program on the basis that he wanted

a line reference within the Budget. I would find it hard to believe that the Minister was unaware the National School Pride Program is part of the Education Budget, given that hundreds of millions of dollars was splashed on every school in Queensland under his control. On that basis I find it inconceivable that the Minister did not realise that National School Pride funding was part of his responsibility and I find it breathtaking under those circumstances that the Minister would seek to avoid answering questions on this very large program that he administers, by disputing its reference in the Budget papers. The Minister made absolutely no effort to address the issue raised in the question. I believe most Queenslanders would find it astonishing that \$75,000 going to a primary school to buy play forts for the children required project managers in the Education department who needed to refer to a construction company who needed to further refer to a playground equipment company when the P & C of the school were more than happy to have supervised this small project themselves. Perhaps embarrassment about this method of administration led the Minister to avoid answering the question.

The Minister in a prepared response, made a personal accusation of hypocrisy against me for representing a school in my own electorate which had around half a million dollars allocated to it for a school hall prior to the BER. As part of my constituent work as the local member for the electorate of Moggill I had written to the Minister to clarify whether in fact that money would remain available to the school following the funding of the project under the BER. How the Minister could possibly see that there was any relationship between such a reasonable question on behalf of my constituency and his administration of plastic play forts under a totally different funding program the National School Pride Program, I am sure would escape any listener but it does indicate the extent to which the Minister will go to avoid answering or being accountable for expenditure in his portfolio. Incidentally the funds allocated, a number of years ago now, to the particular school in question in the electorate of Moggill have still not been expended on the school.

Budget Expenditure

- The overall funding of Education increased by as little as 3.6% in this Budget against the increase in expenditure in the Budget of over 6%. This barely covered well publicised staff wage rises and allowed virtually no budget increase in any other area and certainly indicated that Education had declined again as a proportion of the Queensland Budget. Simple as this mathematics may be, the Minister either did not understand or chose not to understand.

Performance Measures

- Serious disquiet has been indicated from a number of quarters in relation to the cessation of many performance measures from publication in future Budgets.

Performance and output measures are very important parts of the Budget. To lump all school aged children together in the same set of figures, to remove information such as parent satisfaction and the like, obviously robs future Budgets of the integrity of having the department's performance recorded in it. Interestingly the one performance measure that will remain is NAPLAN and whilst I strongly support the fact that NAPLAN is a very important tool, almost

everybody in Education circles agrees that it should not be used as the sole or major measure of education output in the State. The Minister's decision to remove output measures from future budgets will mean to a significant extent that even more emphasis has to be put on NAPLAN as the measure of how education performs in Queensland.

- Not the least area of concern in the removal of performance measures is for students with disabilities. The current Budget showed that there are serious issues with the support of children with disabilities including dramatically declining funding per child and a plunge in parental satisfaction for children with disabilities in State schools. Perhaps it is no wonder the Minister didn't want to continue to publish most of these output measures but nevertheless it is very important. The rather lame attempt to say that some of the information might be available elsewhere, begs the point to be made that when these measures are removed from the Budget papers of course the Minister will not be subjected to the scrutiny of an Estimates committee over them.

Training

- When I moved to the vital area of Training, an area in which the Government has let young Queenslanders down dreadfully, again I was on the receiving end of a personal attack from the Minister who, in particular alleged that I had not asked questions and was not interested in Training. Interestingly at last year's Estimates committee I asked a significant proportion of my questions on Training and the comment was made he was pleased to see I had an interest in the area. Perhaps if the Minister can't answer the questions, rather than resorting to personal attack, he would be better to say he can't answer them or refer them to someone else in his department who might be better equipped to provide the information.

Early Childhood

- When we finally arrived at the time during which the Minister was prepared to answer questions on Early Childhood, despite having inconvenienced the committee with his request, it was a disappointing response given that he was unable to answer what were very reasonable questions. With the dramatic uplift of kindergarten fees by around some 25% already under his new funding model, he was unable to answer how he proposes to achieve universal access to kindergarten and at the same time price people out of attending. Similarly with the move away from funding a guaranteed proportion of the wages bill for community kindergartens to what amounts to a voucher system that no longer includes children whose birthdays put them in the age group of 3 to 3½, he was unwilling to answer questions about the inevitable and probably large scale closure of community kindergartens.

General comments on the Estimates Process

The Estimates Committee process is intended to be an effective scrutiny of the Government's expenditure, but once again this year has shown major deficiencies in the process.

There are a number of general reservations that need to be made in relation to the Queensland Estimates Committee process:

- The structure of the Budget Papers, and in particular the Service Delivery Statements, do not provide sufficient detailed information to enable proper scrutiny of activities and expenditures undertaken by Government
- Insufficient time is allocated for hearings by Estimates Committees when considering particular portfolios
- Insufficient opportunities are provided for hearings by Estimates Committees throughout the year
- Opposition Members are provided with insufficient time during Estimates Committees Hearings to pursue issues
- There is a continued failure by Government Ministers to allow Public Servants and Statutory Officials who exercise direct responsibility for the conduct of activities to directly answer questions posed by Members
- No mechanism exists to require full, direct and honest answers to Questions on Notice
- No mechanism exists to require Ministers to fully, directly and honestly answer questions posed during Hearings

Conclusion

I would like to conclude my report by expressing my sincere thanks to the Estimates B Committee - Erin Pasley and Anne Fidler, as well as Hansard and attendants, and my fellow committee members who made the day run very smoothly.



**Dr Bruce Flegg MP
Shadow Minister for Education and Training
Member for Moggill**

27TH July, 2010