

## TUESDAY, 18 AUGUST 2015

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### ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—LEGISLATIVE ASSEMBLY AND PARLIAMENTARY SERVICES

#### Estimates Committee Members

Ms DE Farmer (Chair)  
Mr MJ Crandon  
Miss VM Barton  
Mr CD Crawford  
Mr DA Pegg  
Mr PT Weir

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#### Members in Attendance

Mr LJ Springborg  
Mr IB Walker  
Mr J-P Langbroek  
Mrs T Smith

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#### In Attendance

Hon. PW Wellington, Speaker  
Mr N Laurie, Clerk of the Parliament  
Mr M Ries, Deputy Clerk, Legislative and Information Services  
Mr M Hickey, Director, Corporate and House Services  
Mr C Atkinson, Manager, Finance and Administrative Services  
Mr P Morris, Manager, Human Resources Services

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#### Committee met at 9.00 am

 **CHAIR:** Good morning. I declare the Finance and Administration Committee's public hearing for the examination of the Appropriation (Parliament) Bill 2015 open. On behalf of the committee I welcome the Speaker and the Clerk, departmental officers and members of the public. I am Di Farmer, the member for Bulimba and chair of the committee. Joining me on the committee are Mr Michael Crandon, deputy chair and member for Coomera; Miss Verity Barton, the member for Broadwater; Mr Craig Crawford, the member for Barron River; Mr Duncan Pegg, the member for Stretton; and Mr Pat Weir, the member for Condamine.

The committee has also given leave for other members to participate in the hearing today and I welcome Mr Lawrence Springborg MP, Leader of the Opposition and member for Southern Downs; Mr John Paul Langbroek MP, deputy opposition leader, shadow Treasurer and member for Surfers Paradise; Mr Ian Walker MP, shadow Attorney-General and shadow minister for justice, industrial relations and arts and member for Mansfield; Mrs Tarnya Smith MP, shadow minister for Aboriginal and Torres Strait Islander and multicultural affairs and member for Mount Ommaney; Mr Tim Nicholls, the shadow minister for infrastructure, planning, small business, employment and trade and the member for Clayfield; and Mr Jeffrey Seeney MP, the member for Callide.

The committee will now examine the Appropriation (Parliament) Bill 2015 and the estimates for the areas of responsibility administered by the Speaker. The committee will consider the estimates for the portfolio until 10 am. The proceedings today are lawful proceedings and subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208.

In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules. The committee's hearing is being broadcast live via the Parliamentary Service's website and to receivers throughout the parliamentary precinct. Before we begin, I ask that all mobile phones be either switched off or turned to silent mode and remind you that no calls are to be taken inside the hearing room. For the benefit of Hansard I ask advisers, if you are called to give an answer, to please state your name before speaking.

I now declare the proposed expenditure for the areas of responsibility administered by the Speaker open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Mr Speaker, the committee has resolved that you may make an opening statement of no more than five minutes. Do you wish to do so?

**Mr SPEAKER:** Yes, please. Thank you very much, Madam Chair, and members of the Finance and Administration Committee. First of all, I acknowledge the traditional owners of the land upon which our parliament stands. I also welcome our Clerk, Mr Neil Laurie, and other officers of the Parliamentary Service to assist me in answering your questions today regarding the Appropriation (Parliament) Bill.

The scrutiny by parliament of the government's proposed expenditure is a fundamental feature of the Westminster system and is one of the most powerful tools at parliament's disposal for ensuring transparency and accountability. Parliament's role is not only to scrutinise but also to approve the government's proposals for the raising and spending of public money by ultimately passing the appropriation bills through the House. The budget estimates process provides an opportunity for parliament to interrogate government's administration through its proposed expenditure. It is precisely because we are talking about public money, because the budget estimates encompasses the full breadth of government proposed activities, and because these parliamentary responsibilities are so significant that our parliamentary process should occur with the greatest possible transparency, and it is the estimates committee which provides that transparency. I thank all estimates committees in advance for their work over the following two weeks and look forward to their deliberations.

I now turn briefly to the 2015-16 budget estimates for the parliament, the first of which I am responsible as Speaker of the Legislative Assembly of Queensland. The Appropriation (Parliament) Bill provides the funding for the salaries and allowances of members of the Legislative Assembly as well as funding for the Parliamentary Service which provides administrative and support services to the Legislative Assembly. The total appropriation sought for the parliament in 2015-16 is \$87.3 million, an increase of \$2.3 million from the 2014-15 period. The increase is due to additional capital funding proposed in the 2015-16 year to commence a number of significant capital projects within the precinct offset in part by a decrease in funding compared to 2014-15 where one-off funding was provided for members' transition allowances and electorate office severance payments following the January 2015 election in the last budget period. During the 2015-16 period the Parliamentary Service will build on the initial review of electorate office security conducted in 2007 by conducting a comprehensive review to consider changes in security risks, security monitoring tools and techniques and security awareness. The Parliamentary Service will also implement a corporate electronic document records management system, commence the implementation of the next three-year regional education program and continue replacing audio visual infrastructure equipment within the precinct over the coming year. Major capital works to be undertaken include the continuation of the program to restore the stonework exterior of Parliament House, the commencement of the installation of fire suppression systems in Parliament House and the repair of the parliamentary annexe level 7 area by removing decaying structures and replacing the existing drainage system and outdoor surface, the last two projects being recommended by the bipartisan Committee of the Legislative Assembly. Forward estimates for total expenses project an increase to \$87.9 million in 2018-19, an increase of two per cent from the estimates for 2015-16 primarily as a result of enterprise bargaining costs.

In closing I would like to say that I am honoured to appear before the Finance and Administration Committee to speak to the parliamentary appropriation and to thank the committee for its work in scrutinising the budget in its portfolios over the course of the day. Thank you, Madam Chair.

**CHAIR:** Thank you very much, Mr Speaker. I call the member for Southern Downs.

**Mr SPRINGBORG:** Thank you very much, Madam Chair, members of the committee, Mr Speaker and also members of the Parliamentary Service. Mr Speaker, my first question relates to the operation of the accountability mechanisms of the parliament and in particular the operations of its committees. I know that over a long period of time you yourself have espoused the importance of the parliamentary committees as a part of the transparency process to ensure accountability for the people of Queensland.

In particular I refer you to a letter you received this morning from Mr Peter Russo MP, the acting chair of the Parliamentary Crime and Corruption Committee in relation to a referral of the member for Bundamba to the Ethics Committee for, '1. Failing to follow an order of the previous PCCC regarding the procedures to be followed in respect of the destruction or handover of documents and signing an incorrect statement in relation to the destruction of documents which was tendered to the PCCC and was prima facie deliberately misleading.' I think it is somewhat coincidental at the very least that on the morning of estimates we have what appears to be a protection racket. But, Mr Speaker, I would just be interested to know in relation to the matters that have been referred to the parliamentary Ethics Committee, if we are talking about matters which would be a matter of contempt of parliament or whether signing an incorrect statement in relation to the destruction of documents was a matter which may enliven criminal provisions within the relevant act or within the Queensland Criminal Code?

**Mr SPEAKER:** Thank you, Leader of the Opposition. I refer you to standing order 271 headed 'Restriction on debating matter in the House.' It reads—'A matter referred to the Ethics Committee must not be debated in the House until such time as the ethics committee has reported on the matter if, in the opinion of the Speaker, such debate could prejudice the matter.' You have asked a lengthy question. Can I assure you there is no protection racket. I think that choice of words is inappropriate. I am advised that this matter has been referred to the Ethics Committee. It is not appropriate to canvass the matter further at this stage.

**Mr SPRINGBORG:** Mr Speaker, my assertion around a protection racket did not apply to you, with due respect, but there has been a rather dubious process followed by the government around this where we did hear that this matter had been referred to the Parliamentary Crime and Corruption Committee. I understand that when it comes to the PCCC and their deliberations, those matters are held in secret and we had heard that those matters had been referred to that committee. Were you able to satisfy yourself previously that these matters were actively before that committee, because in my reading of this letter today, at least on the part of the opposition members of that committee, they were wanting the matter to be considered by that committee and it was not apparently being considered by that committee. So how was the Premier able to—maybe it is unfair to ask about the Premier, but did you satisfy yourself that this matter was actually a matter which was before the committee and if so how so?

**Mr SPEAKER:** Leader of the Opposition, I have full confidence in the Ethics Committee being able to consider this matter and come down with a decision. The matter is referred to the Ethics Committee and I do not see how I can take it any further. It is referred to the Ethics Committee. I have confidence in the capacity and the members of that Ethics Committee to investigate this matter to make a decision and I will await the outcome of the committee's deliberations.

**CHAIR:** I will ask the member for Southern Downs to move on to another question. I think we have dealt with that question.

**Mr SPRINGBORG:** I have another question that relates to process and procedure. Given that the Parliamentary Crime and Corruption Committee operates within a very special veil of secrecy, and maybe the Speaker or the Clerk can answer this question, do they have any concerns that a government can use its numbers to protect one of its own when it comes to matters referred to those committees? Because there is no way of actually knowing what is before that committee or not. There is no way of actually knowing if matters can be properly dealt with in a transparent way.

**Mr SPEAKER:** Leader of the Opposition, you have referred to the letter. That sets out clearly that this matter has been considered by the committee and they have chosen to refer it to the Ethics Committee.

**Mr SPRINGBORG:** Madam Chair, my earlier question then related to specifically if a member signs an incorrect statement, and this is a matter of advice, would such a matter be a matter of contempt of parliament or may it enliven criminal sanction within the Criminal Code or the act that governs the Parliamentary Crime and Corruption Committee?

**Mr SPEAKER:** Thank you, Leader of the Opposition. That is a hypothetical question. If you are relating to the matter that has currently been referred to the Ethics Committee by the Parliamentary Crime and Corruption Committee, the Ethics Committee will consider all the facts before it and make a decision and in due course that Ethics Committee will report to me and I anticipate the report will be tabled in parliament.

**CHAIR:** I will ask the member for Southern Downs to move on. I think we have asked this question in a number of different ways and the Speaker has answered the question. I ask the member for Southern Downs to move on to a new question.

**Mr SPRINGBORG:** Madam Chair, my question is very simple: is the signing of an incorrect statement a criminal offence.

**CHAIR:** Member for Southern Downs, I have made my ruling. I would ask you to move on to another question, please.

**Mr SPRINGBORG:** Madam Chair, I think this has a long way to go. It was a very, very simple question. My next question is to the Clerk of the Parliament. It relates to the accountability of the parliament and the matters of disclosure with regard to payments received by members of parliament. If a member of parliament were to receive an ex gratia payment by executive government, would that be required to be included in the member's interests register and, if not, should it be if it was over what is the disclosure limit which, I think, is around \$10,000?

**Mr Laurie:** you are talking about an ex gratia payment?

**Mr SPRINGBORG:** An ex gratia payment.

**Mr Laurie:** I am loath to give procedural advice rather than appropriation advice today, but the register of interests basically requires that any payment, any gift over \$500, any income over \$500 or any payment over \$500 be declared. If you are talking ex gratia, you are talking in the realms of a gift, I suppose. I would think it would be required to be disclosed, but I am loath to give advice without knowing the full facts of a matter, because there may well be exceptions to that, as well.

**Mr SPRINGBORG:** If it is not clear, do you feel as though that matter should be clarified, that there should be circumstances where those sorts of things should be disclosed in accordance with the Register of Members' Interests?

**Mr Laurie:** The basic proposition I give to every member who asks for advice about the application of the register of interests is first of all to determine what the facts are and get from the member the detailed facts. Then I provide advice based upon the facts that are provided to me. I can tell you that there are basic requirements in the register of interests to declare matters over \$500 under various categories, but whether or not the matter that you are talking about falls within those definitions is something that I could not give advice on unless I was aware of the full facts.

**Mr SPRINGBORG:** Would you be able to consider the matter further and advise the committee?

**Mr Laurie:** Members at any time, whether it is the member who is seeking advice or another member seeking advice about another circumstance, are welcome to come and get advice from me.

**Mr SPRINGBORG:** Generally, at the moment your understanding would be that the guidelines and the rules around the Register of Members' Interests is that it would be unclear whether it would be required to be registered?

**Mr Laurie:** As I have said, member, it depends very much upon the facts. Obviously, if I am aware of the facts then I could probably tell you whether or not it is clear or unclear. Usually if it is unclear I might seek advice from the committee.

**CHAIR:** I think the member has probably asked this question a number of different ways. I ask the member to move on to a new question, please.

**Mr SPRINGBORG:** Madam Chair, I think it is an important part of the interaction process that we are able to further flesh out the answers to the various questions because we are talking about—

**CHAIR:** Yes, I agree with the member for Southern Downs, however, the standing orders do not allow for repetition. I think we have asked the same question a number of different ways. I ask the member to move on to a new question, please.

**Mr SPRINGBORG:** Thank you, Madam Chair. My question was very much about potential deficiencies with regards to the Register of Members' Interests. My next question is to the Speaker. The Speaker, going back a number of months ago, called a press conference, I think it was on 30 March 2015, where he expressed the following view—

My view is very clear.

The member for Cook—

—should resign for the good of Queensland, for the good of his electorate, for the good of himself and especially, for our parliament, so the Parliament is able to focus on the business before it without any distractions.

Given that the member for Pumicestone has similarly brought this place into disrepute, does the Speaker have a similar view with regards to the member for Pumicestone?

**CHAIR:** Mr Speaker, before you answer, could I ask the member for Southern Downs to explain the relevance of his question to the appropriation being considered?

**Mr SPRINGBORG:** Madam Chair, the Speaker expressed a view as someone who is concerned about accountability and the parliament being brought into disrepute by the presence of a member of parliament and his actions. I am simply asking the Speaker a question as to whether there is a correlation between the actions of the two and whether that person similarly upholds the standards that the Speaker should expect.

**CHAIR:** Again, could I ask you to point out the relevance of the question to the appropriation being considered, as that is our role today?

**Mr SPRINGBORG:** Madam Chair, if we go back, we look here with regards to the parliament and its committees and also supporting members to fulfil their constitutional parliamentary responsibilities. In fulfilling their constitutional parliamentary responsibilities, they also have to be fit and proper persons to be a member of the parliament.

**CHAIR:** If Mr Speaker would like to answer, however, I do not consider it relevant to the Appropriations Bill.

**Mr SPEAKER:** Thank you, Leader of the Opposition. I learnt a lot from that media interview and what flowed from that media interview and comments that were made by various media outlets as a result of that interview and what flowed on from that interview. As a result of that experience, I have chosen to hold my counsel and wait until all the information is provided to me in relation to all the circumstances about the allegation and not just allegations. Perhaps that can suffice.

**Mr SPRINGBORG:** Madam Chair, I refer to page 8 of the SDS, which lists total FTE staffing numbers for the Legislative Assembly. I seek some clarification with regards to the state government's new union encouragement clauses, which see the private details of public servants and public sector employees handed over to union bosses. Does that also apply to employees of the Queensland Parliamentary Service, how many would it apply to and what are the circumstances in which that information would be provided?

**Mr SPEAKER:** The Parliamentary Service Certified Agreement 2009 is still a current agreement and contains a union encouragement clause. While the clause has been of no effect for a period during the previous government's term, I am advised it has now been re-enlivened through recent amendments to the Industrial Relations Act. The clause in the agreement is similar to the government's union encouragement policy. In practical terms, I am informed that the Parliamentary Service will make information about relevant unions available to new employees through our induction process. I am informed that this will include printed information in induction handbooks and links to union websites and application forms. Unions will also be invited to participate in induction courses. I understand that the Together union was recently invited to participate in induction courses that were run for electorate office staff. Under the agreement, the information to be provided to unions about new staff includes the employee's name and their work location details. The Parliamentary Service is currently discussing with the Together union how and when the information will be provide to the union. I note and I understand that union membership remains completely at the discretion of the employee.

**CHAIR:** Thank you, Mr Speaker. We will move to questions from government members. I ask the member for Barron River to start.

**Mr CRAWFORD:** My first question is to the Speaker. I note the description of services on page 4 of the SDS, where it states—

- services to promote the institution of Parliament and raise community awareness and understanding of its important roles and functions.

I ask the Speaker: how has this service been discharged in the last few years and how is it proposed to be discharged in the 2015-16 year and forward?

**Mr SPEAKER:** It is very important that we promote our institution of parliament in raising the community awareness of parliament and what happens here, similar to how premiers in the past and our current Premier take the cabinet meeting to parts of Queensland where people are able to ask questions of the premier directly from the floor. It was only last year that I recall participating in a visit to the Sunshine Coast. On that occasion the then Speaker, the member for Maroochydore, chaired part of the meeting with students from the region. The member for Kawana and I participated. It is a great opportunity for members of parliament from right across the political spectrum to be involved with our communities, sharing information and giving students and adults an opportunity to find out how parliament operates without having to travel here or actually be involved here in parliament in Brisbane. The regional education activity includes the youth parliament. Earlier this year I participated in the Indigenous youth parliament, where we saw members from the government and the opposition join with me and youth leaders from our great state to be involved, share their thoughts, their plans and their desires. It was a very informative and, can I say, moving exchange of ideas, listening to our young Indigenous leaders and sharing their thoughts about the real issues that are affecting their respective communities and how they want to make a difference. That message was well received by the government members of parliament and also the opposition members of parliament. I think it is a great initiative to take our institution of parliament to parts of Queensland to reach out, because together we can achieve some significant outcomes for the good of all Queenslanders. Whilst I am the Speaker, certainly I intend to continue to encourage the promotion of the institution of parliament by trying to raise community awareness as best I can.

**Mr CRAWFORD:** In reference to the installation of fire services, page 4 of the SDS, is the Speaker able to provide details on the initiative and, in particular, why the initiative is required and what will be installed as part of that project?

**Mr SPEAKER:** Looking at where our meeting is being held at the moment, I understand there are no sprinklers in this building. This is an historic building that all Queenslanders can be justly proud of. I understand the previous Committee of the Legislative Assembly considered the very issue of providing a fire system for our historic Parliament House. You will see in the budget papers a decision has been made, supported by the Committee of the Legislative Assembly, to install a sprinkler system into our building that will compliment and not interfere with the building. It is all about prevention being better than a cure. The last thing we want to see is a fire starting where we are not able to control it. There is a budget allocation of significant dollars to provide a fire prevention system for our historic parliament. When that fire suppression system is installed, there is the opportunity to provide cabling for the improvement of technology services. We are trying to maximise the benefits that will flow from that fire service. It will take a couple of years for the work to happen, but I think it is very important and it is a good decision to make sure we have the best fire prevention systems available in our parliament. It will not just be sprinklers; there will also be the opportunity for partitioning in the roof cavities so that, if a fire should start, it can be prevented from extending.

**CHAIR:** I call the member for Stretton.

**Mr PEGG:** I have a question for the Speaker. In reference to the waterproofing issues on level 7 of the Annexe, page 4 of the SDS, is the Speaker able to provide details of the issues on level 7 and how they will be solved by the project?

**Mr SPEAKER:** We can do the best we can. Unfortunately, level 7 is showing its age. During recent rain we have seen water come in through the roof. The previous Committee of the Legislative Assembly considered this issue. A decision has been made—and it is supported by the current Committee of the Legislative Assembly—that we will effectively put a new roof over the whole of level 7 to stop water going through the roof and getting into the library.

That will see the removal of the pool. I understand that not many people use the pool. I certainly have not. The pool will be removed, the squash courts will be removed and the outdoor structures over the barbecue area will also be removed. A new surface will be put down and then the structures over the barbecue facility will be constructed again.

It is a sensible decision. It has to be made. We cannot keep spending money repairing water leaks if we cannot stop the water leaks. We will see a new roof, but we will be walking on the roof on level 7. Money has been allocated in the budget for this. It will be a significant expense. I think it is a sensible decision. It has the bipartisan support of the Committee of the Legislative Assembly.

**Mr PEGG:** Mr Speaker, with reference to the revenue target and actuals for 2014-15 and the target for 2015-16 on page 5 of the SDS, are you able to explain why the 2014-15 target was not met and why the target for 2015-16 has been lowered.

**Mr SPEAKER:** I am informed that each year the parliament generates revenue through a variety of activities which in turn offset the total amount of funding required from the government. The vast majority of revenue is generated through catering activities. This is supplemented to a lesser degree by revenue from corporate support services provided to shared service client agencies, staff car parking fees and educational seminars delivered on a fee-for-service basis.

In developing revenue estimates for the purpose of the budget papers, in accordance with government policy, it is customary that revenue estimates include an additional escalation factor across the four-year forward estimates envelope. However, in respect of actual revenue performance over the past five years there has been a significant reduction in catering revenues of approximately \$300,000 per annum, most notably in relation to function trade.

You may not be aware, but we can hold weddings here at Parliament House. We have had a few in the past. Perhaps if people who are watching the broadcast are having a wedding they might like to come to Parliament House for it. Who knows what we can offer them. After all, we are in the business of generating income just like other private wedding reception venues.

In respect of actual revenue performance over the past five years, there has been a significant reduction in catering revenues of approximately \$300,000 per annum, most notably in relation to function trade. In developing the 2015-16 Service Delivery Statement, an adjustment was made to align budgeted revenue targets with actual revenue performance. It is important to note, however, that this adjustment does not represent a funding shortfall and does not impact on the parliament's net appropriation as a corresponding entry was made to adjust downwards the parliament's estimate expenditure to reflect the fact that costs associated with casual catering staff, overtime and catering supplies have also decreased as a result of the decline in function trade.

**CHAIR:** We all appreciate Mr Speaker's very enthusiastic promotion of Parliament House.

**Mr CRAWFORD:** With reference to the budgeted staffing numbers for 2014-15 and the budgeted numbers for 2015-16 on page 8 of the SDS, are you able to explain why the FTE number has increased by six?

**Mr SPEAKER:** Thank you for the question. Overall, there is a net increase of six full-time equivalents between the 2014-15 and 2015-16 staffing numbers for the following reasons. Additional resources were provided for the independent member for Nicklin—two staff. Additional resources were provided to the Katter members—five full-time equivalents. There was an additional portfolio committee research director for the additional portfolio committee that was established by the new government. This was offset by a reduction in staffing full-time equivalents in the office of the Speaker by one and a reduction in staffing in the library due to the abolition of one position.

**Mr SPRINGBORG:** I would like to go back to the question that I finished on with regard to the union encouragement clause and its application to the employees of the Parliamentary Service. I think I asked how many staff this applies to. Obviously it applies to all staff of the Queensland parliament, maybe with the exception of parliamentary executive staff. Is there any option for the staff to indicate that they do not want their information handed over to union bosses?

**Mr SPEAKER:** I invite Mr Peter Morris to assist.

**Mr Morris:** Generally, no, there is not an option to opt out of that process.

**Mr SPRINGBORG:** Mr Speaker, how do you feel about that? Do you feel that there should be an option for staff to opt out of that?

**CHAIR:** I will ask the member to rephrase that question. We are not here to ask for Mr Speaker's opinion on this matter.

**Mr SPRINGBORG:** Madam Chairman, that is probably the only way I can really ask it. Does he believe staff should have the ability to be able to opt out of that? I am not sure if I can ask it any other way.

**CHAIR:** With respect, I refer the member to standing order 115(c)—questions shall not ask for an opinion. The member may like to ask it in a different way or perhaps move onto a new question.

**Mr SPRINGBORG:** If any of the staff express concerns about their private details being handed over and having no ability to be able to opt out of that, would the Speaker be prepared to raise those concerns with members of the government relevant to the legislation which has been passed?

**Mr SPEAKER:** Madam Chair, I am happy to answer the question. I thank the Leader of the Opposition for the question. I operate with an open door policy. I have had many people come to see me about a whole range of matters. I can assure you that this is not one of those matters that has been raised with me. If someone wants to raise it with me, I will certainly consider the issue and have a talk with them and take it further. At this stage, no-one has raised the issue with me and so it may be a hypothetical question. If someone wants to raise a matter with me, all they have to do is come in and we will have a chat.

**Mr SPRINGBORG:** I turn now to page 8 of the SDS which lists total FTE staffing numbers of the Legislative Assembly. Mr Speaker, you would be aware that there are strict codes surrounding the employment of lobbyists and ministerial interactions with lobbyists. Can you tell me if there are rules or if you believe that there should be rules and safeguards relating to the employment of current or former lobbyists within electorate offices?

**Mr SPEAKER:** I might refer that to the Clerk, Leader of the Opposition.

**Mr Laurie:** I will take that in view of the fact that it is primarily an employment issue and it does relate to the code of conduct for staff members. I am aware that there were some changes at a government level in relation to preventing a person from being both in a lobbying position and also an employee of the Public Service. We are currently in the process of reviewing our code of conduct. I would envisage that a similar provision would be put into our code of conduct, but it is not there at this point in time.

**Mr SPRINGBORG:** I have a further question in relation to that. The reason I ask that question is because the Deputy Speaker, the member for Brisbane Central, as I understand it, did and may still have a staffer who is listed on the lobbyist register as having received payments from clients that include the Australian Manufacturing Workers' Union. I assume that the lobbying and payments have stopped and ask if the Speaker or the Clerk would take this on notice. Perhaps they have up-to-date information. Would they investigate and confirm that there is no activity ongoing in this area and all the provisions that should apply are being applied?

**Mr Laurie:** I am more than happy to inquire into that matter in an employment sense. I point out that in terms of the previous answer I gave in relation to the issue of lobbying versus employment, within the existing code of conduct there are restrictions on staff engaging in other employment without prior authority or approval by the Parliamentary Service. For example, a staff member who is engaged full-time should not engage in other work unless they have received authority or approval for that. I am not aware of any such approval being given in the circumstances that you are talking about, but I am more than happy to look at it. It may well be that they are not actually engaging in anything. I am loath to comment without a full factual background.

**Mr SPRINGBORG:** I just go back to what I indicated before, would the Speaker or the Clerk give an undertaking to investigate that particular matter and satisfy themselves that such lobbying activity has ceased—

**Mr Laurie:** I am more than happy to give that undertaking.

**Mr SPRINGBORG:** I raise a question in relation to petitions tabled in the Queensland parliament. I refer particularly to some interactions that we had during the last parliamentary sitting week around a non-conforming petition that was tabled. I appreciate absolutely the fact that you ensured that that petition was tabled so that we were able to view that petition.

The concern that was raised around that petition at the time was that it was nonconforming and there was no way of being able to attest to the identity of individuals involved in signing that petition as would normally be the case with a conforming petition. Of concern to me, going through some of the names that were on there without any addresses or any other identifying information, was one 'Mr Broccoli Broccoli'. We are talking about a petition that was then used by the government to accelerate the passage of legislation through parliament, bypassing the normal committee process.

I would be interested to know from the Speaker or maybe the Clerk what can be done to ensure that petitions that are tabled in the parliament, whether conforming or nonconforming, actually comply with reasonable standards of identification and veracity of the people signing those. We had no way of identifying whether they are within the state or whether they actually exist. I have seen conforming petitions come through this place over the years with 10,000, 15,000 or 20,000 people having signed them and they have not been used to change legislation. They have been politely disregarded. It is an issue of appropriate respect for this place and the appropriate ability to get information for members of parliament to ensure that we are properly informed?

**Mr SPEAKER:** Thank you for the question, Leader of the Opposition. That is one reason it was a non-conforming petition. Perhaps the Clerk might like to add further information.

**Mr Laurie:** I would point out that it was a non-conforming petition because, amongst other reasons, it did not comply with our requirements for a formal petition of having the names and addresses of the people on that petition. We have, for as long as I can remember, allowed members to table petitions that do not strictly comply with the formal petition requirements as non-conforming petitions or as just tabled documents on occasions. We use the term 'non-conforming petition' but maybe the appropriate term is 'tabled document'.

The formality of petitions is important because it (a) triggers their presentation formally in the House in the morning period and (b) triggers a formal response mechanism by ministers under the standing orders. The rationale for not giving petitions that do not comply with those requirements the same privileges as applies to a formal petition is that they should not receive it unless it is presented in the formal way.

The question I think you are going to is the wider issue of whether or not we should prevent the tabling of petitions that do not conform. I think that that is a significantly larger issue, because at the end of the day the one very powerful tool that members of the Queensland parliament have that is not present in many other parliaments in Australia or Canada or in the UK is the ability to table any document that they desire without the leave of the House. That has been the subject of some inquiry in the past.

We did not treat that petition as formal because it was not formal. It did not comply with the rules. It was tabled, however, which is part of the current ability of members to table. If the committee or anyone is so minded to change the rules to place further restrictions upon those tablings, I think that is a wider issue for the CLA to consider

**Mr SPRINGBORG:** I appreciate that, Clerk, very much. I am not saying there should be any restrictions on the tabling of documents. My concern related to a document that was tabled that then put in place an acceleration of events and no real ability to be able to test the veracity and the bona fides of individuals who made particular claims on that petition, and that is what it relates to. It accelerated a whole process of parliament including the collapsing of a committee process to put through so-called urgent legislation. I think that it does draw the place into disrepute. I will go to another question.

**CHAIR:** Thank you.

**Mr SPRINGBORG:** It relates to the potential proposal for a regional sitting of parliament this term. I was wondering whether the Speaker is aware of any proposals for a regional sitting of parliament and, if so, whether he would be open to bipartisan discussions as to an appropriate location for a regional sitting of parliament. But it may very well be that the government has not planned such at this stage.

**Mr SPEAKER:** I have had no discussions with the Clerk or the Premier or ministers about a regional sitting. There is no proposal. There is no proposal or any budget for that to happen. I am sorry I cannot take it any further.

**Mr SPRINGBORG:** If there were, would you be open to a broader discussion—and would you encourage the government to do so—around a bipartisan consideration of the location?

**Mr SPEAKER:** It goes to the bigger picture about my view of the government and the parliament connecting with Queenslanders. I am pleased that the Premier, when she has her cabinet meetings in our state, allows questions from the floor without being prepared. That is an important opportunity to build that partnership between the government and Queenslanders. I understand that she has a program for taking her cabinet around Queensland to make sure that everyone has an opportunity to have dialogue with her government. In relation to the parliament, my personal view at this stage—and I am speaking off the cuff—is that we should be just watching our dollars. It costs a lot of money to pick up our whole parliament and take it somewhere. It costs a lot of money.

**Mr SPRINGBORG:** I accept that.

**Mr SPEAKER:** At this stage, whilst I would have no objection to regional sittings, I am conscious of the costs. I have made some significant cutbacks in the operation of the Speaker's office, with no criticism of how previous Speakers have operated. But at this stage I have not discussed the matter with the Premier. We will see where it goes.

**Mr SPRINGBORG:** Thank you very much, Mr Speaker. I appreciate your candid response. Madam Chair, a moment ago the Speaker was referring to changes in his office and also the fact that he has one less person in a senior position and indicated a significant saving in that area and I think now has two people that are seconded from the Parliamentary Service and has indicated that that saves potential costs further down the track in the event of severance type pay. I am also aware that the Speaker is in receipt of, I think, an AO4 and an AO7 as part of the arrangements that the minority government has provided to the Speaker. Will the Speaker give an indication of what the net saving is with regard to the costs of supporting the Speaker in his capacity and also as the member for Nicklin or what the net difference is?

**Mr SPEAKER:** There are two issues there. The first issue is resourcing for me, as one member of the 89 members of parliament who was elected as an Independent, with the numbers as close as they are, and also resourcing for the Katter party, because again they were elected with two members. The second topic you touched on is the resourcing of the Speaker. If we deal with them in chronological order, after my election when we saw how the numbers in this parliament panned out it became very clear to me that there was no way in the world I could make an informed decision on how I would be voting, irrespective of who formed government, on the bills and particularly on the clauses if I did not have additional resources. It simply would not be possible to do the work of the electorate and then get a handle on all of the bills introduced by the government or the opposition unless additional resources were provided. I also believe that it was reasonable that additional resources needed to be provided to the two Katter party members.

**Mr SPRINGBORG:** Mr Speaker, I do not contest what you are saying with regard to the logic of your argument. I do not contest that for one moment. I know we have made a lot about savings across the Parliamentary Service. My question was simply around trying to get an indication of the net change.

**CHAIR:** I think Mr Speaker is trying to answer the question. If we can just allow Mr Speaker to continue.

**Mr SPRINGBORG:** I wanted to make it clear that I was not impugning the motivation or the logic of what the Speaker was saying, and I am not.

**Mr SPEAKER:** Thank you, Leader of the Opposition. So that is the first part. Irrespective of who formed government, I believe that there was a common-sense need because the numbers were so close. I, as an Independent, and the two Katter party members needed to have additional resources so that we could simply make informed decisions on all matters coming before the House.

On the second issue of the operation of the Speaker's office, I am informed that as a result of the change in staff in the Speaker's office there has been a saving of \$130,000 a year.

**Mr SPRINGBORG:** Yes, that was in your answer.

**Mr SPEAKER:** Again, I do not want to make any criticism of how previous Speakers have operated: I want to make that very clear. I made a conscious decision to approach the Clerk and see if there were some staff who were already working in the Parliamentary Service who would be interested in working in the Speaker's office, because I was aware that the severance pay for the previous staff was \$58,000. I understand that every Speaker does things differently. I realise that if I get re-elected as the member for Nicklin after the next election, whenever it is held, it is most unlikely that I will be sitting in this seat again, because that is not the way governments usually operate. I do not think the next government, whoever forms government, will be any different.

**Mr SPRINGBORG:** You can never be sure of what will happen in politics, Mr Speaker.

**Mr SPEAKER:** No, we do not know what will happen in politics. Again, I do not know if I will get re-elected. But, assuming I get re-elected, it is unlikely that I will continue as the Speaker in the next government whoever forms that government. Again, I am thinking that I do not want to have to go down this road of more severance payments. If there are competent staff already employed in Parliamentary Service who would like to come and spend some time in my office working in the Speaker's office, I would be keen to take them on, and we have two great staff who are now working in my office.

**Mr SPRINGBORG:** Has that been an option that has been taken up or offered or advised to other Speakers or sought by other Speakers in the past about using long-term members of the Parliamentary Service?

**Mr SPEAKER:** I do not want to get into—

**Mr SPRINGBORG:** I was not asking—I am just asking the Clerk.

**Mr Laurie:** To the best of my recollection, it has never been asked, apart from short-term fill in, if you like. But most Speakers have wanted to bring in their own staff.

**CHAIR:** I am going to move to government members now. I will ask the member for Barron River to ask a question.

**Mr CRAWFORD:** Why is the review of electorate office security, noted on page 3 of the SDS, being undertaken?

**Mr SPEAKER:** Why is the review being undertaken? We are in troubled times, member. Whilst I am keen to not take anything for granted, the last major review of electorate office security took place back in 2007 following a serious security incident in the Cook electorate at the time. In response, a working group was established which comprises stakeholders including representatives from the Queensland Police Service, the State Government Protective Security Service and electorate office staff. This group brought down a major report which resulted in significant improvements to electorate office security.

Given the lapse of time since the last review, I thought it was wise to re-establish the working group with a view to assessing the current performance of our security system and procedures. The group was re-established last year. Its work was suspended following the election. The group, I understand, has recommenced its work and has a range of issues that it is considering. We need to be proactive. I know it has certainly made me revisit some security issues involving my office, making sure that late at night when I or one of my staff are leaving the motion activated light goes on. I think it is a prudent action that is happening at the moment.

**CHAIR:** I call the member for Stretton.

**Mr PEGG:** I refer to the ongoing replacement of audiovisual infrastructure on page 4 of the SDS. Is the Speaker able to provide details of the items of infrastructure to be replaced in 2015-16 and the items replaced in the last three years?

**Mr SPEAKER:** I am informed that the audiovisual equipment replaced under the program last year is located in the Dandair Room and the Undumbi Room and also in the audiovisual room on level 5 adjacent to Property Services. The replaced equipment was originally purchased back in December 2003. So it had some age to it. Last year some \$400,000 was spent on replacing a range of equipment in these rooms used to drive the audiovisual presentations in the Undumbi and Dandair rooms and record and broadcast committee hearings from both rooms. The equipment includes amplifiers, receivers, microphones, speakers, transmitters, mixers, audio switching, and DVD players, projections and screens. This year a further \$100,000 will be spent on the first stage of the replacement of broadcast equipment in the Legislative Assembly chamber and in the C13 broadcast room. I am informed that this equipment will include cameras, SDI converters, integrated controllers, video equipment, touch panel interface display, amps, interface cards, fibre links, converters and monitors.

**Mr PEGG:** Mr Speaker, I refer to the regional education program on page 4 of the SDS. Are you able to advise what regional centres have been visited in the last three years and which centres will be visited in the next three years?

**Mr SPEAKER:** I am keen to answer the question. Activities under the regional education program were conducted at Toowoomba in April 2012, Cairns in May 2013, Townsville in 2013, the Sunshine Coast in May last year, Rockhampton in September last year and the Gold Coast in May this year. In accordance with the 2015 to 2018 plan, six locations are planned to be visited. These are Ipswich, which will be from 31 August to 3 September, Mount Isa and Bundaberg in 2016, Roma and Cairns in 2017, and Mackay in 2018. The regional educational activities includes the youth parliament, Public Service training seminars and a teacher professional development workshop. These visits have been well attended I am informed. On average, we have seen 176 people at the youth parliament, 26 participants at the Public Service seminars and 21 teachers at the workshops. Is that adequate, member?

**Mr PEGG:** Thank you.

**CHAIR:** The time allotted for the consideration of the proposed expenditure for the areas of responsibility administered by the Speaker has now expired. On behalf of the committee, I thank the Speaker and Parliamentary Service officers for their cooperation. The committee has concluded its examination of the matters relating to the Speaker and related entities referred to it by the parliament. The committee will resume the examination of the proposed expenditure for the areas of responsibility administered by the Premier at 10.15 am.

**Proceedings suspended from 9.58 am to 10.14 am**

## **ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—PREMIER AND CABINET AND ARTS**

### **In Attendance**

Hon. A Palaszczuk, Premier and Minister for the Arts  
Ms A MacDonagh, Chief of Staff, Office of the Premier  
**Department of the Premier and Cabinet**  
Mr D Stewart, Director-General  
Mr J Muller, Chief Finance Officer  
**Queensland Family and Child Commission**  
Mr M Wise, Acting Principal Commissioner  
**Queensland Audit Office**  
Mr A Greaves, Auditor-General  
**Public Service Commission**  
Mr R Setter, Commission Chief Executive  
**Queensland Art Gallery**  
Mr C Saines, Director  
**Queensland Performing Arts Trust**  
Mr J Kotzas, Chief Executive  
**Queensland Museum**  
Ms S Miller, Chief Executive Officer

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 **CHAIR:** I declare the Finance and Administration Committee's public hearing for the examination of the Appropriation Bill 2015 open. On behalf of the committee, I welcome the Premier, departmental officers and members of the public. I am Di Farmer, the member for Bulimba and chair of the committee. Joining me on the committee is Mr Michael Crandon, our deputy chair and member for Coomera; Miss Verity Barton, the member for Broadwater; Mr Craig Crawford, the member for Barron River; Mr Duncan Pegg, the member for Stretton; and Mr Pat Weir, the member for Condamine. The committee has also given leave for other members to participate in the hearing today. At this stage, I welcome Mr Lawrence Springborg, Leader of the Opposition and member for Southern Downs.

The committee will now examine the Appropriation Bill 2015 and the estimates for the areas of responsibility administered by the Premier and Minister for the Arts. The committee will consider the estimates for the portfolio until 2.30 pm. The committee will suspend proceedings for a break at 12.15 pm and resume at 12.45 pm. The proceedings today are lawful proceedings and subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208.

In relation to media coverage of the hearing, the committee has resolved to allow television and film coverage and photography at all times during the hearing in accordance with the media broadcasting rules. The committee's hearing is being broadcast live via the Parliamentary Service's website and to receivers throughout the parliamentary precinct. Before we begin, I ask that all mobile phones be either switched off or turned to silent and remind you that no calls are to be taken inside the hearing room. For the benefit of Hansard, I ask advisers, if called to give an answer, to please state their name before speaking.

I now declare the proposed expenditure for the areas of responsibility administered by the Premier and Minister for the Arts open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Premier, the committee has resolved that you may make an opening statement of no more than five minutes. Do you wish to do so?

**Ms PALASZCZUK:** Yes, thank you. Today we return openness and accountability to the estimates process. We give members of parliament a proper opportunity to scrutinise the budget on behalf of their constituents. We welcome that scrutiny because we know this budget delivers for Queensland. As I promised Queenslanders, this budget delivers on jobs, skills, diversifying the economy, improving front-line services and protecting vulnerable Queenslanders. It lowers debt, drives employment growth and delivers nation-leading surpluses over the forward estimates. We have committed \$1.6 billion to our Working Queensland jobs plan, which includes the Skilling Queenslanders for Work initiative. It is a program that will help get 32,000 Queenslanders back into work—a program that was cut by the former government on the deputy opposition leader's watch.

Among many other measures, we have rescued TAFE with a \$34.5 million funding injection. We have put in place payroll tax rebates to incentivise employment, and we have funded a statewide infrastructure program worth \$35 billion over the next four years. I am personally passionate about planning for Queensland's jobs for the future. Our \$180 million Advance Queensland package will diversify our economy and help turn great ideas into jobs. Advance Queensland includes a wide range of programs designed to solve global challenges, seize opportunities in growing markets and fight for investment dollars to create jobs for the future.

At the last election I promised Queenslanders that my government would begin restoring some of the deep cuts made to front-line services. A record \$14.2 billion has been allocated to health—a four per cent increase—including 400 new nurses and 4,000 new graduate nurses.

Education and training is also receiving a record spend—a \$12.4 billion investment that will deliver 875 more teachers and better classrooms across our state. There is \$500 million for school and hospital maintenance that will support Queensland tradies and suppliers. We have also delivered on our commitment to provide \$100 million for the Great Barrier Reef. We provided \$52 million to support drought affected Queenslanders. But we have not forgotten vulnerable Queenslanders either. This budget delivers \$351 million for pensioner concessions.

I am also very proud as Premier to hold the arts portfolio. This budget will restore Queensland's position as a national leader in the arts. We will invest \$173 million in 2015-16 in the future of arts including \$28 million for essential upgrades to Brisbane's cultural precinct in the wake of its heritage listing.

In my opening remarks I want to focus on one aspect of the budget close to my heart. Today along with Minister Fentiman I announced my government would implement all 140 recommendations contained in Dame Quentin Bryce's *Not now, not ever* report into domestic violence. I acknowledge from the outset the bipartisan nature of this task force, something I gave my immediate support to as opposition leader. I think it shows that when oppositions are constructive much can be achieved. The shocking fact is that there is more than one domestic violence related death in Australia every week. Something has to be done, and in Queensland something is being done.

In this budget we have committed \$31.3 million over four years on a range of initiatives. That investment includes the trial of a specialist domestic and family violence Magistrates Court with a dedicated magistrate, the expansion of the domestic violence duty lawyer service and almost \$20 million to establish and operate dedicated 72-hour crisis shelters in Brisbane and Townsville. This morning I announced my government's response will include increasing criminal penalties for domestic and family violence to reflect that a relationship is an aggravating factor in sentencing. We will also be working with principals, teachers and school communities to educate children early about healthy, respectful relationships. Dame Quentin Bryce gave us a detailed blueprint for success in tackling domestic violence. The time is right for action, and I believe the community has the will to change.

In closing, I said from the start I would be a Premier for all Queenslanders. That means creating jobs and building a stronger economy. It means focusing on front-line services. It also means defending the institutions that make up our democracy. Estimates is, indeed, one of those institutions. The former government thought Queenslanders would not notice when they changed estimates in a bid to avoid scrutiny. How wrong they were. Today we restore that process. I am proud to lead a government that holds dear the principles of integrity and accountability. Queensland is much stronger for it.

**CHAIR:** Thank you very much, Premier. I call the member for Southern Downs.

**Mr SPRINGBORG:** Morning, Premier. Premier, I refer to your government's Jo-Ann Miller safe-gate protection racket. Given the accumulating evidence against the police minister, will you now sack her?

**Ms PALASZCZUK:** Where in the SDS are you referring to, Leader of the Opposition?

**Mr SPRINGBORG:** You are referring to openness and accountability

**Ms PALASZCZUK:** But where in the SDS are you referring?

**Mr SPRINGBORG:** You are referring to openness and accountability, Premier. You can't just have it in opposition and not in government.

**CHAIR:** Could I ask the member to point out the relevance of his question to the appropriation being considered?

**Mr SPRINGBORG:** Absolutely, Madam Chair. It relates to the accountability and the administration of government, whether it be that which is administered through the Premier's department, the letters of expectation by the Premier to various ministers or the *Ministerial Code of Conduct*. It is all funded, financed and supported under the department of the Premier, as is the expectation of the Premier to ensure probity and accountability in government. The Premier just opened by talking about accountability and openness—

**Ms PALASZCZUK:** Sorry, what is your question?

**Mr SPRINGBORG:** My question with regard to openness and accountability is about your government's Jo-Ann Miller safe-gate protection racket. Given the accumulating evidence against the minister, are you prepared now to sack the minister?

**CHAIR:** Order! Could I point out to the member the inferences you are making in your question. Again, could I ask you to point out the relevance of your question to the appropriation being considered?

**Mr SPRINGBORG:** Madam Chair, I will rephrase my question, then. The Premier talked about openness and accountability in her opening statement and the need to ensure that government ministers comply with that. Will the Premier now take action against the Minister for Police and remove her commission?

**Ms PALASZCZUK:** In relation to what?

**Mr SPRINGBORG:** In relation to a number of things. This morning the Parliamentary Crime and Corruption Committee has written to the parliamentary Ethics Committee referring—

**CHAIR:** Order! We have dealt with that issue this morning, and it is not relevant to the appropriation being considered. Unless the member can point out the relevance of his question to the appropriation being considered, I will ask him to move on to the next question.

**Mr SPRINGBORG:** Madam Chair, the Premier has previously called at other times in another iteration for government ministers such as Bruce Flegg to resign or be sacked over sloppy administration based on allegations. There was no prima facie allegation with regard to anything that he did. We now have prima facie allegations in relation to the member for Bundamba and her administration as the Minister for Police, a commission that she holds at the behest of the Premier. The question is: will the Premier take action apropos the *Ministerial Code of Conduct*, which she clearly oversees? I will refer to the *Ministerial Code of Conduct*, which states—

Ministers must not knowingly mislead Parliament.

If a Minister is the subject of an official investigation into a matter of serious impropriety or alleged illegal behaviour of a serious nature, a Minister must accept that to whether the Minister should stand down is a matter of discretion for the Premier.

**CHAIR:** The member has failed to point out to the committee the relevance of the question to the appropriation being considered, and I will ask him to move on to the next question unless the Premier indicates she would like to answer.

**Ms PALASZCZUK:** I do have a copy of that tabled letter presented this morning, I think. I was at a media conference at the time. From my understanding, the member for Bundamba and the member for Warrego have been referred to the Ethics Committee. My understanding is that under the standing orders once a matter is before a committee of the parliament—I might just see if we have that standing order.

**CHAIR:** The Premier is correct. It is standing order 270. Again, I ask that the member move on to the next question. There are several standing orders on which I base this ruling so please move on to the next question.

**Mr SPRINGBORG:** Madam Chair, I think this is very instructive. We just had the Premier infer that the member for Warrego has been referred to the Ethics Committee. That is not my reading of it, but maybe they have been. I think it is quite interesting if the Premier has information that we do not have with regard to—

**CHAIR:** I have made my ruling about this matter regardless of any member to whom it refers. I ask the member to please move on to the next question.

**Mr SPRINGBORG:** My next question is simply this: does the member for Bundamba fulfil the standards of high office that the Premier would expect in her administration as Premier?

**Ms PALASZCZUK:** I am happy to clarify this for the Leader of the Opposition. I know you have been Leader of the Opposition on numerous occasions. I would have thought that by now you would have a grasp of the estimates process that questions are asked from the SDS. I have sat where you have. I must say that it is much better sitting here. Leader of the Opposition, we are here to examine the budget. I am happy to answer any question you want to put to me about my clear economic plan for creating jobs for Queensland. All of my ministers have helped prepare their budget submissions for their portfolios. If you want to ask a question about the budget process, I am more than happy to answer. But from what I can gather the issue that you have been raising has been dealt with in the former hearing with the Speaker and the matters are before a committee.

Leader of the Opposition, given that I think you have been here for over two decades I would think that you would be across the standing orders of this parliament. I am not going to prejudge the parliamentary processes. If you want to talk about integrity and accountability, I am all for it. Let us talk about integrity and accountability, because what I recall is that during the last estimates process we had ministers avoiding scrutiny. We had simultaneous estimates hearings on one single day. When I was in your position as Leader of the Opposition, I had to go between three or four different estimates hearings because your government under Campbell Newman did not want to be scrutinised.

**Mr SPRINGBORG:** Did you have more or less time as a whole?

**Ms PALASZCZUK:** No, this is the process that the former government put in place to avoid scrutiny.

**Mr SPRINGBORG:** But in total did you have more time or less time in the estimates?

**CHAIR:** Order! The member has asked a question. We will allow the Premier to answer.

**Ms PALASZCZUK:** Today we have restored that process. I am here ready, willing and able to answer any budget question that you can put before this committee.

**CHAIR:** I will ask the member to move on. I have made my ruling about this matter and I ask the member to move on to a new set of questions.

**Mr SPRINGBORG:** A moment ago the Premier said that I have been here for a long time. I have been here a long time and I have also seen a lot of swifties attempted to be pulled by premiers at the time. This is one where the government is trying to dodge its responsibilities. We have a Premier who is refusing to say whether her minister is meeting her standards of accountability.

**CHAIR:** Order! Order! I would say to the member for Southern Downs one more time that the questions you are raising—I have made my ruling. There are references to standing order 270 about the procedures of the Ethics Committee. There is the standing order which addresses the relevance of the question to the appropriation being considered. There is also a standing order about tedious repetition. I will ask the member one more time to move on to a new set of questions, please.

**Mr SPRINGBORG:** Madam Chair, the Premier in her open disclosure to Queenslanders indicates a meeting with the member for Bundamba on 4 June. I simply ask: did the Premier ascertain from the member for Bundamba at that stage whether she had signed a false declaration to a parliamentary committee?

**Ms PALASZCZUK:** No, I did not.

**Mr SPRINGBORG:** So you had absolutely no idea prior to the referral of this matter to the Ethics Committee—

**Ms PALASZCZUK:** I am sorry, Leader of the Opposition, the matter is before a parliamentary process.

**Mr SPRINGBORG:** Was it before a parliamentary process when you stood in parliament a few weeks ago—

**CHAIR:** Order! Order!

**Ms PALASZCZUK:** It is now before a parliamentary process.

**CHAIR:** Order! Order!

**Mr SPRINGBORG:** So it was not before you stood in parliament—

**CHAIR:** Order! Member for Southern Downs, if you continue to ask these questions when I have given you my ruling, I will move to government members to ask their questions. I will ask the member for Southern Downs to make a choice: either you move on to a new set of questions, or we will move to government members to introduce a new set of questions themselves.

**Mr SPRINGBORG:** Madam Chair, the Premier just referred to a matter which was purportedly before a parliamentary process. The Premier also stood in the parliament a few weeks ago and implied the matter of the member for Bundamba was before a parliamentary process with the PCCC.

**Ms PALASZCZUK:** These are standing orders of our parliament. I respect the standing orders of our parliament.

**Mr SPRINGBORG:** Given that no-one other than members of that committee or the Speaker would normally know after he has been written to by the chair of that committee that the matter is before the parliamentary committee, did the Premier know that matter was before a parliamentary committee and, if so, how did you know?

**Ms PALASZCZUK:** I found out today that the matter was referred to the Ethics Committee at a press conference.

**Mr SPRINGBORG:** What about before then—

**CHAIR:** I am going to move on now to government members. Thank you very much, member for Southern Downs. I ask the member for Stretton.

**Mr PEGG:** I refer to page 4 of the Department of the Premier and Cabinet SDS and the priority to support jobs and economic growth, and I ask: will the Premier advise what initiatives the government is undertaking to support job creation in the 2015 budget and progress to date?

**Ms PALASZCZUK:** I would like to thank very much the member for the question. As I said at the outset of my opening statement, when it comes to our budget, we are delivering on our \$1.6 billion Working Queensland plan including \$240 million in funding for Skilling Queenslanders for Work to support up to 32,000 people to get back into work. Can I reaffirm with the committee how important that program was. I know you were not a member at the time, but I know personally out in my local electorate this had great opportunities to give people, young people, an opportunity to get a job, people who had been unemployed for long periods of time. In fact, the report actually recommended to the former government not to axe this valuable program. I am very pleased that the first round has actually opened. It is a very important program.

We are also putting in a \$34.5 million investment into skills and training in our TAFEs. We also know how important it is that young people get the training they need. I cannot be any clearer that our government is focused on making sure that we have a very solid jobs plan about getting people back into work.

We are also delivering a \$45 million payroll tax rebate to encourage employers to take on apprentices and trainees. Once again it is very important to a growing Queensland economy. We are delivering on the \$2 million Queensland Entrepreneurs of Tomorrow policy to support this program through school education, science and business development, and also home based business programs to support stay-at-home parents who want to establish home based businesses.

My government's first budget delivers on our commitment for a \$40 million Business Development Fund as well as new funding of \$24 million for Startup Queensland, a \$12 million Queensland commercialisation program, a \$76 million package in total to support businesses to turn bright ideas into new private sector industries and jobs. We are also delivering on our promise to establish a red-tape reduction advisory council to make it easier for SMEs to do business in Queensland.

We are making it easier for business by delivering certainty and delivering on our promises not to introduce new or increased taxes. This year's budget also brings forward vitally needed jobs supporting infrastructure investment in our regions with \$100 million for Building our Regions for this financial year and a new \$40 million western roads funding package. The budget also includes \$100 million over five years to protect our Great Barrier Reef that supports more than \$70,000 jobs.

I might update the committee that just yesterday I was very pleased to be on the Gold Coast where Jupiters have announced a further investment of some \$345 million. That is going to support some 1,700 jobs down there on the Gold Coast during construction. It is yet another sign of business confidence in my government. The good news about those new apartments is that it is going to be a brand-new product and it is also going to be ready in time for the Commonwealth Games.

As you can see, we are very committed to growing the jobs. Our job-supporting policies are also seeing confidence return in Queensland with business confidence in July rising to the highest in the nation according to the National Australia Bank monthly business survey.

**CHAIR:** I ask the member for Stretton to ask another question.

**Mr PEGG:** I refer to the government's priority to support jobs and economic growth and I refer you to the Department of the Premier and Cabinet SDS page 4, and I ask: will the Premier provide details on new job-creating infrastructure that will be delivered as a result of the 2015-16 budget?

**Ms PALASZCZUK:** Thank you very much, member for Stretton. The 2015 budget is absolutely central to delivering our investment for infrastructure and supporting jobs for Queenslanders. This financial year we will invest in a \$10.1 billion capital program, including investment in Education, in Health and on our roads, supporting around 27,500 jobs. That is an increase of nearly \$387 million on last year's infrastructure investment. In total, we will invest \$34.5 billion in infrastructure over the next four years. The list of major projects is quite long, but I think it is important to place on the record a short list of these projects because they are so important to local communities.

We know how important Education is. With school maintenance funding of \$300 million, it will support jobs, especially our tradies locally in South-East Queensland but, more importantly, out in our regions. There is \$90 million for a new primary and a high school in the Townsville region, \$25 million for the Cairns special school and \$124 million in non-state school infrastructure with an increased investment in education infrastructure on last financial year.

In relation to Health, we have a further \$114 million to finalise a number of major projects including the Logan Hospital, Mackay Base Hospital, the Mount Isa health campus and the Gold Coast University Hospital as part of health infrastructure investment of more than \$1.3 billion, an increase of nearly \$130 million on last year's financial investment. There is new funding of \$180 million for an Enhancing Regional Hospitals program to undertake essential upgrades at Caloundra, Roma, Hervey Bay and Gladstone. The budget also includes another \$488.7 million to continue delivery of the Sunshine Coast University Hospital and \$179 million to continue the statewide rollout of clinical and administrative support systems.

Also we know how important the Townsville stadium is for the Townsville community. We have committed \$100 million without the need to sell the port of Townsville, which was clearly on the agenda of the former government. That \$100 million investment in Townsville can create up to 500 jobs. We are still waiting to hear from the federal government about whether or not they want to match that investment. I noticed that Joe Hockey was making some comments this morning. I find it quite surreal that someone from Sydney would be trying to tell Queensland what they can and cannot apply for. Here is an infrastructure project for which we can see some dollars on the table from the federal government to kick-start North Queensland and to develop some more jobs up there.

In relation to regional communities, there is \$200 million over two years this financial year for building regions including an increase to the Transport Infrastructure Development Scheme of \$60 million over two years, a regional capital fund of \$70 million over two years, Royalties for Resource Producing Communities funds of \$55 million over two years and the Remote Communities Infrastructure Fund of \$15 million over two years.

We also know how important roads and rail are. We have a very large state and we need to make sure we have the infrastructure available there. We have a \$3.9 billion program supporting 10,500 jobs including a new \$40 million western roads upgrade program, \$30 million in additional funding for marine infrastructure and \$161 million in additional funding to upgrade major Gold Coast roads in the lead-up to the 2018 Commonwealth Games.

**CHAIR:** I call the member for Barron River.

**Mr CRAWFORD:** I refer to the Premier's portfolio responsibilities for enhancing tourism opportunities. In reference to page 69 of the Department of the Premier and Cabinet SDS, will the Premier outline what the government is doing to attract new flights directly to Queensland?

**Ms PALASZCZUK:** Thank you very much, member for Barron River. Especially coming from your part of the world, you would know how important it is to attract flights up there for Cairns. I think what we are seeing is a lot of confidence in Queensland at the moment with a lot of new flights coming on to the market. We know that the tourism industry is so important; it accounts for 3.5 per cent of the state's economic output and employs around 130,000 people directly.

We are committed to maximising the tourism potential and increasing international tourists to support business in Queensland. Queensland is, indeed, an attractive destination for overseas tourists. Queensland's proximity to a rapidly developing Asia makes tourism in the state a strong growth market. We must support the industry through marketing and promotional activities to attract people to come to Queensland.

Just on Friday I was very pleased, along with the Deputy Premier, to meet with Qantas CEO Alan Joyce, who updated me on our recent announcement of direct flights between Brisbane and Tokyo. That has been very well received, not just by the Queensland community, but also by the Japanese community who want to have much free-flowing access for business and also for tourism between Tokyo and Queensland. I also recently met with the Japanese ambassador, the consul general and key business leaders not just from Queensland but also New South Wales and Victoria. They were all talking to me about how significant that announcement was to have those direct flights coming in from Tokyo. The new route has the potential to create an extra 108,000 international visitors each year. In June, a major trade delegation led by Tourism and Events Queensland laid the ground work with Japanese travel wholesalers, agents and media to support this new route.

Airline access from key and emerging international markets is critical to the competitiveness of Queensland's tourism industry. The Attracting Aviation Investment Fund was established to boost Queensland's tourism industry by attracting new and expanded routes to Queensland, bringing more international tourists. The government committed at the election to boost the Attracting Aviation Investment Fund and we have delivered. An amount of \$10 million will be provided over three years for the investment fund. It will be used to promote Queensland tourism destinations to targeted international markets and attract new flights directly to Queensland.

Further funding is also provided to Tourism and Events Queensland for cooperative market activities undertaken with the airline and other partners. We have also seen that in North Queensland we have been able to secure new routes, including a China Eastern seasonal service between Shanghai and Cairns and also SilkAir's three times per week service between Singapore and Cairns. Having recently been invited by the Prime Minister to Singapore and also having met with the high commissioner for Singapore, I can say there is overwhelming support for that SilkAir route coming into Cairns. Hopefully, we will see a lot more travellers coming into Queensland. Next year Air Canada will fly directly between Brisbane and Vancouver and that is expected to inject \$24 million in visitor expenditure to Queensland's economy each year.

Finally, I want to add that Townsville—I can't leave Townsville out—has regained its international airport status with flights being introduced on 2 September 2015 by Jetstar Airways, which will operate initial flight routes from Queensland to Bali. Having both Cairns and Townsville as international aviation hubs means that Queensland has 50 per cent of the international airports in Northern Australia.

**CHAIR:** Thank you, Minister. Member for Barron River.

**Mr CRAWFORD:** With reference to the Premier's responsibility for fostering regional growth, referenced in the Department of the Premier and Cabinet SDS, will the Premier explain what is being done to promote outback tourism to support economic growth and local jobs in the region?

**Ms PALASZCZUK:** I thank you very much. I think everyone will acknowledge that people out west are really doing it tough at the moment with the drought. When I have visited Charleville—and I have also been to some properties outside of Longreach, to Barcaldine and more recently up to Mount Isa—I have seen that the drought is having an absolutely huge impact.

When I was on one of the properties just outside Longreach I remember sitting there with around 20 families and they said to me, 'The best way that people can make an impact on our communities is to take the initiative, come out west and spend money in our local communities.' Because of the drought they do not have the expenditure at the moment that they would have had otherwise to be spending in their local towns. They want small businesses and shops in local towns to stay open, so we need to make sure we do everything that we can.

With that in mind, and having listened to what families were telling me directly firsthand, I spoke to the tourism minister and I said, 'We really need to do something. We need an outback tourism campaign so that we can encourage people to go out west.' On 27 May in Winton in the state's central west the Minister for Tourism Kate Jones, the member for Mount Isa Robbie Katter and I had the opportunity to meet with mayors from Blackall, Tambo, Longreach, Mckinlay shire, Quilpie shire, Winton shire and Charters Towers Regional Council to launch the new Queensland tourism campaign Live Australia's Story.

The Live Australia's Story campaign promotes Queensland's outback to the people of the south-east and is supported by a \$500,000 marketing campaign. Queensland's outback is full of natural beauty and history and is a place where south-east Queenslanders can truly live Australia's story. The campaign's immediate aim is to increase tourist visits to the region. This will benefit drought impacted communities by increasing demand for local goods and services, assisting in economic growth and supporting local jobs. This can be sustained from the memories and relationships visitors forge with our great outback, its people, its beauty and its heritage. I certainly cannot speak highly enough of the hospitality during my experience when visiting these outback communities. Having met those families firsthand, it has left a lasting impression upon me.

With that in mind, I have made it very clear to my ministers that I want them to be regular visitors out there and connecting with councillors, listening to mayors and responding to communities. That is another reason why we put together the \$52 million western roads package, because mayors were telling me that, due to some of the cuts under the former government, unfortunately a lot of Main Roads staff were cut. What they would like to see is more work done on western roads, which generates jobs and allows people to live and remain in their local communities. We were able to put that package together, and again that came from being on the ground and listening to mayors and councillors. I am very proud of this campaign; I believe it is going quite well. I want to thank the minister Kate Jones and Tourism and Events Queensland for responding so quickly.

**Mr SPRINGBORG:** I refer the Premier to SDS page 4, dot point 3, where it says the department's objectives are to do a number of things including 'build confidence in government'. Do the ongoing meanderings of the Minister for Police in Queensland by contacting witnesses, letting prisoners out and then being slapped down, closing vital police facilities and falsely signing documents, build confidence in government in Queensland?

**CHAIR:** I will allow the Premier to answer if she wishes; however, I do warn the member for Southern Downs that the question you have asked contains an inference which breaches standing order 115. I will leave it up to the Premier to answer that or not.

**Ms PALASZCZUK:** First of all, can I just say that all of my ministers are working extremely hard. They have portfolio responsibilities and I expect high standards. I expect my ministers to perform to the highest standards. The Leader of the Opposition has made a series of assertions. Firstly, I reject some of those assertions.

In relation to the police budget, the minister has been working very hard. The announcement about body cameras was in the budget as well as increased numbers for the Police Service so there can be more police out there on the beat. My understanding is that, under the former government, some of the police officers were denied vehicles to perform their duties, but I will double-check that. The minister has worked very hard to make sure that she has delivered for the budget.

In fact, the total police expenditure in 2015-16 is \$2.05 billion. There are 977 new and replacement Police Service vehicles. You cannot really put more police out there and not give them the vehicles that they need to do their patrols. There are 266 new police officers to keep our communities safe and essential safety equipment which includes \$6 million over three years for body-worn video cameras. The cameras will be used as evidence-collecting resources and to prevent violence and abuse directed at officers. There is \$65 million for new and upgraded fire and emergency services facilities and equipment.

As you can see, the police budget, including emergency and corrective services, is a key benchmark of my government. The police minister, as with all of my ministers, has contributed extremely well to the budget process.

**Mr SPRINGBORG:** Madam Chair, my question was specifically regardless of resources, which naturally flows through, is the conduct of the Minister for Police meeting the aspiration of building confidence in government in Queensland, given that the Premier has previously inferred that the Minister for Police is basically on her final warning, and today we have very serious substantiated evidence which surrounds the Minister for Police. This is not the only issue on which the Premier has expressed concerns about the conduct of the Minister for Police. Does she have your confidence, and do her actions fulfil the objective of building confidence in government in Queensland?

**Ms PALASZCZUK:** If you would like to read the budget highlights document or go through the budget papers about the police budget that was handed down—

**Mr SPRINGBORG:** So the answer is yes, she builds confidence in government in Queensland.

**Ms PALASZCZUK:** I think the police union has said that it was the best budget in three years. I think that is an endorsement of my government's—

**Mr SPRINGBORG:** The police union also said she is probably the worst police minister in Australia.

**CHAIR:** I remind the member for Southern Downs that the questions you are asking relate to matters that have been referred to the Ethics Committee and contain inferences and imputations. I would ask the member to move on to a new question, please.

**Mr SPRINGBORG:** Excluding any inference to parliamentary committee matters, Madam Chair, my question simply is: do the actions of the police minister, excluding that, build confidence in government in Queensland?

**Ms PALASZCZUK:** Which actions are you speaking of?

**Mr SPRINGBORG:** The Premier inferred some time ago that the minister was basically on her last warning and—

**Ms PALASZCZUK:** I expect very high standards; I have said that.

**Mr SPRINGBORG:** So the police minister is meeting your high standards?

**Ms PALASZCZUK:** I said that I expect high standards.

**Mr SPRINGBORG:** Is the police minister meeting those high standards?

**Ms PALASZCZUK:** Today we are examining the budget that was delivered by my government. I have said to you very clearly that the Minister for Police has delivered that budget. The police union has said it is the best budget in three years.

**Mr SPRINGBORG:** And the worst minister in—

**CHAIR:** I ask the member for Southern Downs to move on to a new question, please. The question was out of order. I ask the member to move on to a new question.

**Mr SPRINGBORG:** Madam Chair, I am asking whether her actions build confidence in government in Queensland.

**CHAIR:** I have asked the member for Southern Downs to move on to a new question. I have made my ruling. Your question is out of order. Please move on to a new question.

**Mr SPRINGBORG:** Thank you, Madam Chair. My next question is to the Director-General. It relates to SDS page 14, dot point 3, which states—

- maintenance of procedures to ensure the financial accountability of these offices is in accordance with the Queensland Ministerial Handbook

It also states—

DPC is committed to supporting the delivery of the Queensland Government's objectives for the community, including a focus on integrity and accountability.

My question to the Director-General is: is it correct that the ministerial code of conduct, which is contained within that Ministerial Handbook, allows the Premier to sack a minister if under official investigation for serious impropriety?

**Mr Stewart:** Could you refer me to the SDS again?

**Mr SPRINGBORG:** As I indicated, the SDS at dot point 3 on page 14 talks about the ministerial code of conduct. Page 4 in the fourth-last paragraph talks about accountability and integrity. The ministerial code of conduct is part of that handbook, and it clearly indicates that the Premier can clearly act to take action by standing aside or sacking a minister.

My simple question to you, Director-General, was: is it correct that the ministerial code of conduct allows the Premier to sack a minister if under official investigation for serious impropriety?

**Mr Stewart:** I would have to take that on notice. I really need to have a closer look at that issue. I do not have an answer for you here.

**Mr SPRINGBORG:** I can help with the documentation. The ministerial code of conduct, which is part of the Ministerial Handbook—

**CHAIR:** The Director-General has indicated that he would like to take the question on notice.

**Mr Stewart:** I think there are a number of matters surrounding that. That is one matter I would have to take on notice.

**CHAIR:** The process in which we are engaging allows the Director-General to do that, so we will take the question on notice. Could I ask for your next question, please.

**Mr SPRINGBORG:** I look forward to the Director-General taking on notice if the Premier can sack a minister who does not perform or for serious impropriety under the ministerial code of conduct.

**CHAIR:** You have made your question clear. Your next question?

**Mr SPRINGBORG:** Thank you very much, Madam Chair. The Premier has also talked about the accountability of government ministers.

**Ms PALASZCZUK:** To whom are you directing the question?

**Mr SPRINGBORG:** The Premier. We have already seen a Premier who is prepared to protect the member for Cook and now the member for Bundamba. I am wondering whether Coralee O'Rourke, Minister Assisting the Premier for North Queensland, will be attending these estimates today. She is specifically referred to in the SDS. Page 1 of the SDS lists Coralee O'Rourke as one of the responsible ministers for the SDS today. Page 6 of the SDS—

**Ms PALASZCZUK:** As the member has been here for many, many years, it is my understanding that it is up to the committee to decide who attends.

**Mr CRANDON:** I rise to a point of order. My understanding is that is not correct.

**CHAIR:** If I can go back to the original question, I would ask the member to point out to me the relevance of his question to the Appropriations Bill.

**Mr SPRINGBORG:** At page 6 of the SDS it says that 2015-16 service highlights include—

- provide whole-of-government coordination and support to:
  - the Minister Assisting the Premier on North Queensland, including establishing the DPC North Queensland Office in Townsville

**Ms PALASZCZUK:** Leader of the Opposition, I am more than happy to answer those questions. I believe that the minister is appearing at estimates next week, and you will have the opportunity to ask her any questions about her ministerial responsibilities at that estimate hearing. In fact, you will be able to get to that estimates hearing. Unlike last year, when I had to try to get to as many as possible because they were all held simultaneously on the one day.

**Mr SPRINGBORG:** Even though you had 60 more minutes than the 285 minutes that we have this year to attend Premier's estimates.

**Ms PALASZCZUK:** We made a commitment to Queenslanders to restore the estimates process, and that is what we have done.

**Mr SPRINGBORG:** By reducing the amount of time.

**CHAIR:** Could I ask the member for Southern Downs what question he is pursuing?

**Mr SPRINGBORG:** I will return to it, Madam Chair; I was just correcting the amount of time.

**Ms PALASZCZUK:** I am happy to talk about the North Queensland office.

**Mr SPRINGBORG:** We look forward to attending the estimates hearing that is scheduled for Thursday, 27 August.

**Ms PALASZCZUK:** Excellent. So whilst you asked that question—

**Mr SPRINGBORG:** I am not so sure, Madam Chair, whether we are going to have much time to talk about North Queensland matters.

**CHAIR:** I ask the member for Southern Downs what his question is.

**Mr SPRINGBORG:** It is, Madam Speaker: where is the Minister Assisting the Premier for North Queensland? She is on \$330,000 a year and she is included in here on page 6 of the SDS at the third dot point, which states—

- provide whole-of-government coordination and support to:
  - the Minister Assisting the Premier on North Queensland ...

We have very serious questions that we would like to ask about economic development in Cairns around the dredging of Trinity and also issues with regard to Abbot Point and how that relates—

**Ms PALASZCZUK:** The minister is more than happy to answer those questions at her estimates hearing next week—more than happy.

**CHAIR:** Yes; thank you very much, Premier. The protocol in the estimates hearing, if I could remind the member for Southern Downs, is that if you have any questions to ask in the Premier's portfolio you ask the Premier directly.

**Ms PALASZCZUK:** You are able to attend as well.

**Mr SPRINGBORG:** So even though the minister is referenced in here, the minister does not have to be a part of this process?

**CHAIR:** If I could just say this again: the protocol for the estimates committee is to refer all questions to the Premier or to the minister. That is a well-established protocol. I ask the member for Southern Downs to move on to the next question please.

**Mr SPRINGBORG:** Madam Chair, I come back to an earlier question that I asked the Premier and I relate it to page 14 again with regard to the maintenance of procedures to ensure the financial accountability of ministerial offices. There are also references here with regard to the budgetary allocation for the police minister with regard to the SDS at page 20. I take the Premier back to her meeting of 4 June with the police minister and I ask the Premier to again confirm that the police minister at no stage inferred that she falsely signed a document.

**Ms PALASZCZUK:** No.

**Mr SPRINGBORG:** No? Questions were never asked?

**Ms PALASZCZUK:** Not on that meeting date, no.

**Mr SPRINGBORG:** Another meeting date?

**Ms PALASZCZUK:** Not to my knowledge.

**Mr SPRINGBORG:** Not on another meeting date?

**Ms PALASZCZUK:** I just say again that we have discussed this issue at length. These matters are before a parliamentary committee. There is a standing order that actually states very clearly that these matters are under parliamentary investigation.

**CHAIR:** I remind the member for Southern Downs of that standing order and, as I have pointed out a number of occasions this morning, the standing order referring to tedious repetition. I ask the member for Southern Downs to please move on to the next question.

**Mr SPRINGBORG:** Madam Chair, I just simply remind the Premier apropos those things that knowledge of such things also enlivens the obligation on the holders of public office to report actions or activities which may in some way breach the rules of this parliament and potentially even the Criminal Code. The Premier has indicated that she had no knowledge of that, that she had no knowledge at all of documents being falsely signed and I can only take her word on that. I now move to the—

**CHAIR:** Thank you.

**Mr SPRINGBORG:**—issue of the union encouragement policy. Referring to the Premier's answer to non-government question No. 9—

**Ms PALASZCZUK:** Is this to me?

**Mr SPRINGBORG:** I am just getting there; it is to you and to the director-general. I note that the answer indicates there has not been any information provided at this stage which seeks to indicate that everything is great, but the Treasurer in answer to a non-government question to this committee indicates that there is going to be quarterly returns to unions. My question to the director-general is what information is going to be provided to the unions and what is being done to protect the privacy of that information given that last year the Premier rallied around her concerns about the privacy of information for the member for Stafford and also the member for Bundamba? What information is going to be provided and how is it going to be provided?

**Mr Stewart:** Sorry, but where is this in the SDS?

**Mr SPRINGBORG:** The Premier has responsibility for the Public Service Commission as confirmed on page 97 of the SDS and it also relates to non-government question No. 9. So there was an answer to non-government question No. 9.

**Mr Stewart:** And are you talking about Public Service employees?

**Mr SPRINGBORG:** Public Service union encouragement policy.

**Mr Stewart:** But are you talking about public servants?

**Mr SPRINGBORG:** Public servants, yes.

**Mr Stewart:** Under the Public Service Act?

**Mr SPRINGBORG:** Yes, because public servants, as I understand it, are the only ones at this stage that you can give the information about to union bosses, unless you are proposing to go to the private sector too. But they are the only ones that I understand you can give out.

**Mr Stewart:** I think we have made it very clear. The union encouragement policy was tabled on 14 May. I think you have that document, but I am happy to table a copy of that document. It has also been subject to fairly extensive debate within committee and I understand from the committee—and I do have a copy of the *Hansard* from the committee—that the committee interviewed the Privacy Commissioner.

**CHAIR:** That is correct.

**Mr Stewart:** I think it was the Acting Privacy Commissioner to be accurate.

**CHAIR:** That is correct.

**Mr Stewart:** At the end of the day the policy says that the person's name, their position and location will be provided. Quite frankly, that is what is already provided in the *Government Gazette*. So if you look at the employment of Public Service officers, that information is already available and that is the information that will be provided.

**Mr SPRINGBORG:** Why do we not just send them the *Government Gazette* then?

**Mr Stewart:** There is a policy. To adhere to that policy, that is the information that will be provided.

**CHAIR:** Thank you very much. We will move to questions from government members now.

**Mr PEGG:** Premier, I refer to page 4 of the SDS which refers to the work done between DPC and Queensland Treasury on the government's fiscal strategy and performance and ask: with Budget Paper No. 4 confirming some costs on asset sales and advising of \$43.6 million as part of \$70 million in expenditure without an election mandate, can the Premier outline how this year's budget delivers a better way for Queensland?

**Ms PALASZCZUK:** What we saw very clearly under the former government was that they spent a lot of money on the Strong Choices campaign—a lot of taxpayers' money. I can remember being at estimates hearings in the past asking for information about Strong Choices and how much taxpayers' money was spent. That is money that could have been used to go to front-line services in Health and Education, not to bankers about selling our assets. We could even go back further, because the Commission of Audit was done by well-known LNP identity Peter Costello. It was all done for a reason and where did it get them? Absolutely nowhere. I understand that the work included \$2.3 million being paid to Crosby Textor and their subcontractors and that we had a total amount of \$70 million.

I have some further information here that the committee might be interested in. Through the department of former premier Campbell Newman the transactions relating to scoping activities and expenditure on one consultant were \$68,000. The Queensland capital project scoping studies was \$1.7 million; the Queensland capital project administration was over \$2 million; the Queensland capital project energy network GOC sales preparation for expenditure on seven consultants was \$13 million; the Queensland capital project energy generator GOC sales prep was \$5.971 million; the ports GOC sales preparation was \$17 million; the Queensland capital project SunWater sales preparation was \$6.9 million; and contingency for outstanding invoices was \$2.7 million. The Queensland capital project total expenditure was \$49.778 million. Strong Choices preliminary work was \$540,000 and in terms of Strong Choices total expenditure—I am assuming this is the advertising campaign, Director-General. We might just confirm that.

**Mr Stewart:** Yes, sure.

**Ms PALASZCZUK:** I think the advertising, as I have here, was about \$20 million, but I just want to confirm that figure. So in total that amounts to \$70.320 million. I am quite sure that perhaps some of the former members were not even aware of this. So \$70 million of taxpayers' funds was spent on Strong Choices. I can remember asking questions at length about whether or not we could see the breakdowns and we have been able now to release that information in the public interest.

**Mr CRAWFORD:** Premier, I refer to page 4 of the Department of the Premier and Cabinet SDS. It states that one of the department's priorities for 2015-16 is to strengthen environmental protection and management. Will the Premier advise on the work being conducted by the government to address the threats facing the Great Barrier Reef?

**Ms PALASZCZUK:** I think we all realise how important the Great Barrier Reef is for Queensland—not just for the jobs that it generates but also the Great Barrier Reef as an international icon and one of our greatest natural treasures. During the election campaign I travelled from the Gold Coast to Cairns and Queenslanders let me know that they were very concerned about what was happening with the Great Barrier Reef. In Cairns they were very worried about the impact on the local economy, and that is because the reef is worth \$6 billion a year to the Queensland economy. The Great Barrier Reef is not only iconic in Queensland and Australia; it is iconic internationally. Only this morning just a few hours ago the Lonely Planet named the Great Barrier Reef as the second highest rated place to visit in its ultimate travel list of the 500 best places to visit in the world. I wish it was No. 1! The Lonely Planet judges said that this vital ecosystem enthralled all who visit with abundant bird life and countless tropical islands and beaches. I know the member for Barron River knows how important it is up in his part of the world. Its worldwide significance is why its protection is paramount. There is no alternative.

One of the key policies that we took to the election was a comprehensive plan to protect our Great Barrier Reef. It was designed to address the short- and medium-term pressures on the reef like coastal development and water quality. We have now set about implementing that plan in government. I have appointed the first ever Minister for National Parks and the Great Barrier Reef to oversee our reef protection measures. My government acted immediately after the election to ensure the implementation of the Great Barrier Reef long-term sustainability plan to reflect the commitments we made during the election campaign. As members of the committee would be aware, earlier this year the World Heritage Committee of UNESCO unanimously decided not to list the reef as a World Heritage site in danger. The decision specifically praises key policy initiatives of the government such as the establishment of an 80 per cent reduction in pollution run-off by 2025, the decision to ban the dumping of capital dredge spoil in the entire World Heritage area, the concentration of major new port development to four sites, and the protection of the Greater Fitzroy Delta.

In this year's budget we have allocated \$100 million towards reef water quality and protection measures. This financial year the government has also allocated \$1.43 million for the Office of the Great Barrier Reef. We will invest \$10 million to buy back fishing licences under our sustainable fishing policy and we have allocated \$1 million to the Great Barrier Reef Foundation's eReefs project to provide real-time reef water quality information. We have also allocated \$21.8 million for each of the next four years. The newly established Great Barrier Reef Water Science Task Force will provide recommendations to government on how best to invest this money to provide real benefits to the reef and how to meet our new targets to reduce nitrogen run-off by 80 per cent and sediment run-off by 50 per cent.

We want to spread the word across the globe that the reef is a living treasure which is safe in our hands and which international visitors should experience firsthand. To that end, we have developed and launched a new social media tourism campaign inviting global travellers to experience the greatest reef on earth. Our government knows the UNESCO decision is not the end of the matter; in many ways it is just the beginning. We will still need to work hard to deliver our commitments on reef protection and address the greatest long-term threat to the Great Barrier Reef—climate change. As the Deputy Premier told the World Heritage Committee when she attended recently with the minister for the Great Barrier Reef, 'Queenslanders love the Great Barrier Reef. They love it so much they elected a new government to help protect it.' That is what we have been doing and that is what we will continue to do.

**Mr CRAWFORD:** Premier, I refer to the department's priority to support jobs and refer you to page 4 of the Department of the Premier and Cabinet SDS and ask: how will the new Advance Queensland program create jobs now and jobs for the future?

**Ms PALASZCZUK:** I am very pleased to talk about Advance Queensland because it is very dear to my heart and I know that it is a conversation that Queenslanders are now having about how we grow the jobs for the future. I am very pleased to provide the committee with further details about this \$180 million initiative which is, as I said, the plan to create the jobs for the future. That is why we put Advance Queensland as one of our central elements of the budget this year. Historically, Queensland's economic story has been anchored by its natural strengths, but we need to diversify our economy. We need to make sure that we are keeping up with what is happening in the rest of the world and we also need to make sure that we are preparing for those emerging markets that we are seeing emerge from overseas.

The Advance Queensland initiative will position our state to take advantage of our natural attributes, our geographical position and, most importantly, our people. This initiative is at the core of our first budget, because it needs to be at the core of our economic agenda. That is because we need to diversify our economy. Further, we also know that we need to actively pursue the creation of new

industries. I am determined that Queensland will be at the forefront of developing these new jobs rather than waiting and watching the rest of the world. Having recently visited the United States and Singapore, this is the space that our state needs to be in.

Overwhelmingly, the feedback that I have received from researchers, from industry and investors—and I am talking here about global investors who are looking at investing in Queensland—is that Queensland is capable of leading Australia in this field. We have taken on board the feedback and expanded our Advance Queensland initiative. Advance Queensland is about bridging the gap between great ideas and the jobs that they can lead to. It is about empowering our best entrepreneurs, innovators and thinkers and translating their work into commercial success.

Thanks to the previous Labor government, Queensland has a great research base and world-class research institutes. I think everyone can remember that Peter Beattie was very adamant about creating the Smart State—changing the whole image of how Queensland was perceived not just nationally but internationally. So what we have in Queensland are fantastic research institutions. However, we need to take the next step and that next step is how we can commercialise here in Queensland and keep the money here rather than the money going overseas. But also, the advice that was given to me over the last three years when I visited some of these institutions is that we were losing some of our best and brightest minds. They were leaving Queensland and pursuing jobs overseas. So I am determined to keep our best researchers here but I am also keen to partner with industry to make sure that we can keep the dollars here in Queensland.

As part of Advance Queensland, we have the \$50 million Advance Queensland Best and Brightest Fund. We also have developed the \$46 million Advance Queensland Future Jobs Strategy. We have the \$76 million Business Investment Attraction package, which includes our Business Development Fund and, finally, we have set aside \$8 million to give us the flexibility to respond to any new opportunities that may arise. The package will provide the catalyst for new industries and businesses to be developed right throughout the state. Our geographical position, along with our stable regulatory and political environment, provides us with a unique opportunity to be the gateway to Asia for local and international businesses.

I was pleased to learn in Washington that the Australian ambassador to the United States, Kim Beasley, shares my views that Queensland has the potential to be the gateway to Asia for US companies. The response from business, industry, the academic sector and the community to Advance Queensland has been extremely positive and I am looking forward to seeing Queenslanders grasp the opportunities that will become available through these programs.

**CHAIR:** Thank you, Premier. We will move back to non-government members. I call the member for Southern Downs.

**Mr SPRINGBORG:** Thank you very much. I go back to questions to the director-general where I left off prior to the government break in relation to union encouragement clauses. I think the director-general indicated it is name, position and location available, which is consistent with the gazette. Therefore, why can they not get it out of the gazette? My question is: does this apply only to new employees or all employees, because it is somewhat unclear to me? The minister responsible in this area in introducing the legislation, the Minister for Industrial Relations, indicated new employees, but there seems to be an indication that it applies now to all employees. So can the director-general clarify that?

**Mr Stewart:** Thank you. The advice that I have is that the union encouragement provides for all new employees to have ready access to union representatives and operates subject to relevant legislation. The manner regarding the release and reporting of new employee details will vary depending on the industrial instrument. That is the point that I was trying to make before. The state government departments' certified agreement—the core agreement—covers nearly 50,000 public servants, including my portfolio agencies. From June 2015, the reinvigorated provisions within the agreement provide that that information about new starters is to be provided to relevant unions on a quarterly basis, which I think again you referred to. The first full quarterly report—the September quarter report—is due in October 2015. Not all industrial instruments require the standard reporting. All public servants are protected by privacy laws and, again, I think I referred to in the committee process that you had the acting Privacy Commissioner—

**CHAIR:** That is correct.

**Mr Stewart:** And I think there was a whole raft of discussion around that. Just going back to that, all public servants are protected by privacy laws and agencies are responsible for complying with those laws. Each agency is required to comply to their relevant industrial instruments regarding union

encouragement, including reporting time frames. New starters in the Queensland government are protected by privacy laws and the privacy principles applying to those processes for commencing Queensland government employees.

Again, as I said in the committee process for the Industrial Relations (Restoring Fairness) and Other Legislation Amendment Act the acting Privacy Commissioner agreed that the name, location and position description information is not information touching upon the personal affairs of the individuals but is information about the public roles of employees in the public sector. Again, I understand that the acting Privacy Commissioner confirmed to the committee that there was no breach of the Information Privacy Act in relation to union encouragement clauses of the legislative amendments. I guess the point I was making is that that information would be provided but, again, as you have seen in the *Government Gazette*, that information is already there publicly.

**Mr SPRINGBORG:** So those privacy provisions do not extend to a public servant being able to opt out of having their information provided?

**Mr Stewart:** I think at the end of the day it is up to the public servant to agree to becoming a union member or not. It is their discretion at the end of the day. The policy, which I understand was a policy for some years prior to the former government, was in place and, at the end of day, it is up to the discretion of that employee to become a union member or not a union member. So the policy I think I have read out really allows for that information to be provided but I think you did, as a committee—and I think it was this committee that actually had that discussion—

**CHAIR:** That is correct.

**Mr Stewart:** Again, I have the pages of that committee. In fact, it was the Finance and Administration Committee on 28 May 2015 where that issue was discussed in detail.

**Mr SPRINGBORG:** Just coming back to what you have said—

**Mr Stewart:** So I think what we are saying is that the information for new starters is provided to unions in accordance with the advice that was given at that committee.

**Mr SPRINGBORG:** For new starters. You mentioned before 50,000 in the core. The overall number of public sector employees is close to 200,000, is it?

**Mr Stewart:** Again, I think what I said in that discussion was—that is why I was trying to go back to that original discussion about are you talking about core employees, public sector employees, or employees under different acts, because there are various industrial agreements. So I think it is very specific on the industrial agreement you are referring to. So, for example, ministerial staff are under a different agreement, a different act. So I think we have to be very specific in the question.

**Mr SPRINGBORG:** Okay. So, basically, applying it to the core, you are applying it to public sector health workers, police, or in education—all of those areas or part of them? I am happy for you to take it on notice.

**CHAIR:** I think—

**Mr Stewart:** I do not know what more information I can give.

**CHAIR:** With respect, if I could interrupt the director-general? With respect, member for Southern Downs, I think the director-general has answered your question and I suggest that you move to a new question.

**Mr Stewart:** But I think the committee had the opportunity—

**CHAIR:** That is correct.

**Mr Stewart:** So I gather the committee had a long discussion with the Privacy Commissioner in relation to the introduction—

**CHAIR:** That is correct.

**Mr CRANDON:** It was a side decision but nevertheless it was a discussion.

**CHAIR:** Thank you. It was a public hearing of the acting Information Commissioner. If I could ask the member for Southern Downs to move to a new question.

**Mr SPRINGBORG:** Privacy can be mitigated by the rules that are brought in by the parliament, of course, as we know and—

**Mr Stewart:** Can I make a further point?

**Mr SPRINGBORG:** Sorry, director-general, you were going to say something?

**Mr Stewart:** And I think that was a point of the discussion with the acting Privacy Commissioner—was the application and the legislation. So that was discussed.

**CHAIR:** The director-general is correct. It was in reference to the Privacy Act, but if I could ask the member for Southern Downs to move on to a new question and I think we have—

**Mr SPRINGBORG:** I have another question in relation to this with regard to the dissemination of this information to those of dubious character. What safeguards has the director-general put in place to stop public servant details being handed over to unions or union officials currently under investigation by the Queensland Police Service and also the new organised crime committee? I think there is a new commission that the government set up for bribery and extortion. So what is there? What sort of safeguards? Some of these people are not lollipop ladies—handing them over to Dave Hanna and those sorts of characters; you have would to be a little bit worried.

**CHAIR:** If I could just interrupt the member just on a couple of counts there? Could I just ask the member to point out to the committee the relevance of his question to the appropriation being considered and also the imputation you are making in the question?

**Mr SPRINGBORG:** Absolutely, Madam Chair, as I did before—and I am sorry with the effluxion of time it seems to have dissipated into the ether the references that I have made previously. It relates to answer to non-government question No. 9, which was placed on notice as well and also the matter was referred to by the Premier in that as well.

**CHAIR:** Sorry, with respect, member for Southern Downs, could you just read out the reference so that we are all aware of the relevance of the question?

**Mr SPRINGBORG:** Madam Chair, I think it is interesting. There is no reference to drought in the SDS but drought is an important issue and the Premier was talking about drought before in the context of outback tourism. I have at least found a reference here with regard to union encouragement clause and the provision of information by the department—what sort of details are provided et cetera and with regard to members' employee details.

**CHAIR:** Thank you. I have found the question on notice that you are referring to. I think it is question 9—

**Mr SPRINGBORG:** Question 9, yes, Madam Chair.

**CHAIR:** Thank you. The question that you previously asked the director-general, if you could just for our benefit point out how that particularly relates to the union encouragement clause? As I said earlier, there is an inference, an imputation in your question, and perhaps you could rephrase the question so that we are aware—

**Mr SPRINGBORG:** Okay. Thanks, Madam Chair. I just simply ask the director-general what safeguards are put in place to ensure that this information, this private information, that is handed over to people is not handed over to people who are currently under investigation for extortion or bribery apropos Queensland police investigations, Queensland government initiated investigations?

**Mr Stewart:** I would like to answer the question, if that is okay?

**CHAIR:** Yes.

**Mr Stewart:** I think when the committee questioned the acting Privacy Commissioner the view was that it was public information. As I said, a lot of this information is already published in the *Government Gazette*, but I think if you have serious concerns about individuals—you may know something that I do not know—then I am happy to take that particular issue on. If you believe that we are providing, or information is going to people of dubious character, then I will generally act on that information from you.

**Mr SPRINGBORG:** Maybe we might write to you about that. Can I come back to a matter that I raised earlier before the government break in relation to the appearance of the member for Mundingburra, Coralee O'Rourke, who is the current Minister for Disability Services, Minister for Seniors and Minister Assisting the Premier on North Queensland. The Premier indicated that the minister would be available on 27 August to take questions insofar as her responsibilities as the Minister for North Queensland or assisting the Premier. I have here—and maybe it has been updated—the estimates hearing schedule, which starts at 2 pm and finishes at 5.30 and I cannot see any reference here where the minister will be answering questions apropos her responsibility as the Minister Assisting the Premier in North Queensland.

**Ms PALASZCZUK:** That is a matter for the committee—

**CHAIR:** I take your point, Premier. It is the determination of the each committee how they will run their estimates schedule. So it may be more appropriate for the member to direct that question—

**Ms PALASZCZUK:** And as I stated, she is more than happy to answer questions about her role as assisting me in North Queensland.

**Mr SPRINGBORG:** Okay. That is right, because that was not clear and it is not clear by this particular schedule here as well. I would also like to refer the Premier to non-government question No. 3 where the Premier certainly was not effusive with information and refused to break down the salary brackets of staff in ministerial offices. The Premier provided a link to the Premier's website which lists the total number of staff but makes no mention of how much they are paid. I simply ask the Premier: is the Premier prepared to list the salary brackets for staff of the Premier's department and across ministerial offices?

**Ms PALASZCZUK:** The same process applies as applied under the former government. My understanding is that since 2009, this is in the answer here, data about ministerial staff numbers broken down by each office has been published each quarter under the right to information publication scheme on the Department of the Premier and Cabinet website. My understanding is it is the exact format that existed when you were a minister under your government.

**Mr SPRINGBORG:** Indeed, I released the information that I was asked for when I was minister. You asked for my chief of staff, or one of your shadow ministers did, and I released it. The only policy you seem to have is that you are not the former government.

**Ms PALASZCZUK:** That's right.

**Mr SPRINGBORG:** So you cannot use it as a justification.

**Ms PALASZCZUK:** Open and accountable. That is why we have returned the estimates process back to its rightful place.

**Mr SPRINGBORG:** For sixty minutes shorter time for Premiers.

**Ms PALASZCZUK:** Would you like to go back to the old process, would you, where they were simultaneous? Would you like the old process?

**Mr SPRINGBORG:** I am just saying you have given us less time.

**Ms PALASZCZUK:** Queenslanders voted on that at the election. They clearly were not impressed by Campbell Newman, and you were a part of that. You were a very senior minister and a part of that government.

**Mr SPRINGBORG:** Who actually did release details when I was asked.

**Ms PALASZCZUK:** I am happy to release the brackets of the staff.

**Mr SPRINGBORG:** Specifics? Because I was asked specifics and released specifics. Your only policy, Premier, is that you are not Campbell Newman.

**Ms PALASZCZUK:** No, it is not my only policy so I reject that outright.

**Mr SPRINGBORG:** You are not the former government and that nothing that happened before 31 January should be referred to.

**Ms PALASZCZUK:** We are definitely not the former government. When I am travelling right across the length and breadth of this state, Leader of the Opposition, people are very thankful that we are not the former government.

**Mr SPRINGBORG:** You are a government that apparently talks about openness and accountability. We have seen it here with regard to various references in the SDS, including focusing on integrity and accountability, things that lift the confidence of the community in the political and governmental process. The references which are made by the Premier do not include the salary breakdown for individuals and I am simply asking the Premier is the Premier prepared to release that information?

**Ms PALASZCZUK:** I am more than happy to provide the salary ranges that exist in the ministerial offices.

**Mr SPRINGBORG:** I also draw the Premier's attention to where she pursued this previously when she asked the Premier to turn, I assume to his left, and ask the chief of staff how much the chief of staff was actually paid and that was released. You have your chief of staff to your left.

**Ms PALASZCZUK:** I am more than happy to advise that my chief of staff is remunerated at CEO level 5.1, as was the previous government's chief of staff. The current superannuable salary for CEO 5.1 is \$275,975 per annum. Chief executives—

**Mr SPRINGBORG:** And so—

**Ms PALASZCZUK:** Let me finish. You want the answer? I am more than happy to give it. Chief executives are also entitled to the standard Queensland government employer contributions to superannuation of 12.75 per cent, 17.5 per cent annual leave loading and a motor vehicle or motor vehicle allowance, which has varied from time to time, currently valued at \$30,000 per annum.

**Mr SPRINGBORG:** We are on a roll now and that did not hurt a bit. I mean, it only basically matches what I released when I was minister.

**Ms PALASZCZUK:** It took about an hour under the last estimates, I recall, under Campbell Newman.

**Mr SPRINGBORG:** It has taken several weeks here because we have had an answer to a question on notice from you which I think was asked two weeks ago when it was refused to be answered.

**Ms PALASZCZUK:** I said I am more than happy to provide the salary ranges—more than happy.

**CHAIR:** Could I remind members that this is not a debate, this is an estimates hearing. I will ask the member for Southern Downs to ask his next question, please.

**Mr SPRINGBORG:** My next question relates to my previous question and that is will the Premier provide a breakdown of other staff in ministerial offices.

**Ms PALASZCZUK:** I said I am more than happy to provide the breakdown of the range and, Leader of the Opposition, I note that you wrote to me asking for your staff to receive salary increases, when you are given the exact same composition for the Leader of the Opposition staff as was given when I was the Leader of the Opposition by your government. So, your office was writing to me seeking for your staff to be paid more.

**Mr SPRINGBORG:** I was actually writing to you seeking also in-principle support for global budgeting so that we are not spending any more money than is allocated to the opposition budget. It is in your prerogative to refuse that and you refused that. But again, you said that you are not the previous government. I was simply writing to you on the basis that we should have flexibility in the ability to remunerate our staff.

**Ms PALASZCZUK:** I am happy to quote—this is from you about your staff—‘most staff have had their salaries reduced considerably during this transition to ensure compliance with the budget for the opposition office supply.’

**Mr SPRINGBORG:** Yes, that’s right.

**Ms PALASZCZUK:** You were given exactly the same number of staff and positions as I was given when I was Leader of the Opposition. Do you want to talk about integrity and accountability in government? One of the first acts of your government was to throw the opposition out of this parliament.

**Mr SPRINGBORG:** I have actually still got offices here in this parliament—the same offices that you had—on level 9, and also in Mineral House.

**Ms PALASZCZUK:** My understanding is that you converted the staff room into your office. I had a normal standard member’s office when I was the Leader of the Opposition.

**Mr SPRINGBORG:** I spend a lot of time on level 6 in the opposition office and I tell you, what I have got in Mineral House now is 10 times better than what was on level 6. We have at least got windows and some modern facilities that did not exist there.

**CHAIR:** Could I remind members that this is not a debate. This is an estimates hearing and the member for Southern Downs has an opportunity to ask questions. You have time for one more question, please.

**Mr SPRINGBORG:** Relating to the question the Premier answered a moment ago in part, when you are talking about salary brackets, Premier, are you talking about the broad range or are you talking about the specifics: that it is an AO7 five or whatever? Are you talking about an AO7 one through to AO7 five or six? Are we talking about specifics?

**Ms PALASZCZUK:** I will provide the committee with the salary ranges that are offered to ministerial staff. Also, can I make it very clear that each office is required to come within their budget and I am also honouring the commitment of saving Queenslanders \$27 million over three years by having a reduced number of ministers and ministerial staff.

**CHAIR:** Just to clarify, are you committing to providing that information on notice?

**Ms PALASZCZUK:** The salary ranges for each office, yes.

**CHAIR:** Thank you. We will move on to government members' questions now. I would like to ask the Premier a question. The Premier mentioned in her overview of the Advance Queensland strategy previously that one of the components was the \$46 million Future Jobs Strategy. Given the government's focus on jobs, and I refer to SDS page 4, will the Premier provide more details about that Future Jobs Strategy and its contribution to the government's objectives?

**Ms PALASZCZUK:** Thank you very much, Chair. You will be aware how important the Advance Queensland strategy is for my government. As I said, it is about harnessing innovation that is happening elsewhere and making sure that we can actually turn that innovation into jobs here. The \$180 million package also contains the Future Jobs Strategy. What we do know is that major investments in research infrastructure have happened in the past but now we need to focus more on people and projects. I am pleased to report that our Advance Queensland strategy is already making headway. The Queensland government has secured three flagship partnerships that will help deliver our goal of turning ideas into jobs. Firstly, the Queensland Emory Drug Discovery Initiative, a collaborative project between the University of Queensland and Emory University in the United States, will take Queensland researchers' ideas for potential cures for diseases and develop them into new drugs. I was fortunate to meet with Professor Liotta from Emory University when I was in the US. This is the man who led the research teams that developed the most widely used HIV drugs in the world. The professor scanned the world looking for who was best to partner with and he chose UQ and the state of Queensland, which is an enormous vote of confidence in our potential. Secondly, the Siemens Innovation and Translation Centre at the Translational Research Institute will offer world-leading MRI scanning technology. The centre will ensure we have access to state-of-the-art scanning technology and training for technicians to operate and program these tools. Finally, the Johnson & Johnson Innovation Partnering Office at QUT will facilitate access to vast resources and expertise in scientific research, investor and commercial business sectors.

In relation to Johnson & Johnson, we know that it is a large pharmaceutical company. I actually had the privilege of meeting with them recently at the bioconference in Philadelphia. It is a massive vote of confidence in Queensland that a company the size of Johnson & Johnson wants to have an office here in Queensland. My government supports aims to translate a greater number of discoveries into healthcare products and treatments and create jobs that stay in Queensland.

Another aspect of the Future Jobs Strategy are the innovation partnerships. These will support collaborative research and development involving both research organisations and industry to address issues in priority areas such as agriculture, engineering, climate change, clean energy, biotechnology and advanced manufacturing. The strategy will support innovative challenges to harness the collaborative power of researchers and industry in solving issues and opportunities facing Queensland. Also, the supporting priority industries program will invest in 10-year road maps where government will work with industry and research partners to develop long-term plans for emerging industries such as medical technical, industrial biotechnology and biofuels. Senior policy experts from the renowned public policy think tank, the Brookings Institution in Washington, told us in June that the identification of key industries and development strategies will be beneficial to our Advance Queensland program.

The Future Jobs Strategy places Queensland at the Australian forefront for funding research industry collaborative projects and will nurture a culture where entrepreneurialism can flourish. It will give us every chance to succeed on the global stage by seizing opportunities in growing markets, solving innovation challenges, fighting for investment dollars and creating the jobs for the future.

**CHAIR:** Thank you, Premier. I call the member for Stretton.

**Mr PEGG:** Thank you, Chair. I have a question for the Premier. Continuing on with questions about jobs referenced in the SDS at page 4, innovation in the SDS at page 5 and Advance Queensland, will the Premier provide further information on the government's plans to rejuvenate our research and innovation sector, particularly for our best and brightest.

**Ms PALASZCZUK:** Thank you very much, member for Stretton. The Advance Queensland strategy will position our state as an attractive investment destination with a strong innovation and entrepreneurial culture helping industry, universities and government work together to take great ideas and turn them into viable proposals. A key plank in our Advance Queensland initiative is a \$50 million Best and Brightest Fund. The \$50 million Advance Queensland Best and Brightest Fund will develop, attract and retain world-class scientific talent from overseas. It is about investing in our human capital, the talent that will lead Queensland into the future. The Best and Brightest Fund has several components. It includes investment in a series of fellowships and scholarships at Queensland research

institutions. These fellowships and scholarships will ensure we retain our best and brightest here in Queensland with a focus on researchers, women, Indigenous students and regional localities. There is a global fight for innovative and entrepreneurial talent and the competition is fierce. It is a fight we cannot afford to lose. Queensland has attracted so much global talent here over the last 15 years. We cannot think that the other centres of research are not trying to do the same to us, which is what makes this part of our strategy so important. The second component of this fund is the global partnership awards which recognise that we can learn from major players overseas. Our global partnership awards will see graduates and emerging entrepreneurs offered the chance to learn from a stint in an overseas research institution or a major company. I think that it is very, very significant that people are actually able to go and work in a company overseas and then bring those ideas back to Queensland. I think too many times we have seen young people who are graduating or having done a doctorate, go overseas, work in an industry and they do not come back. When I was in San Francisco I met with a couple of the key investors over there who had basically done that; they had left Queensland, got a job in a company in Silicon Valley and they have stayed there. I was saying, 'What can I do to bring you back to Queensland?' But if we can get in early and harness that talent, send these young people over there to get the experience, whether it is in the UK, the US, Singapore, China or Japan, and then bring that knowledge back here, I think we are going to be a lot better for it.

Finally, as part of our Best and Brightest initiative, we will undertake a review of how we teach—and this is very important—science, technology, engineering and maths and how it can be expanded further into our Queensland schools. We know that computer programming and coding is already part of the primary curriculum in England, Belgium, Finland and Italy, while New Zealand and Singapore are in the process of including coding in their curriculums. That is why I am very keen. Over the next month or two, we will be putting out a discussion paper to let Queenslanders have their say about teaching coding and robotics early in a child's school curriculum. In some countries they are doing at the senior level. However, if we have the opportunity to do that in primary school, I think we are going to be a lot better for it. I think it is imaginative, it is about grasping the future and it is also about recognising that our world is changing dramatically with technology, IT and robotics. Already people are saying to me that, with farming practices into the future, robotics is going to play a huge part. With that, new skills will be needed on the farm to utilise the new technologies. It is a space I am confident we should be in.

I understand that the opposition has played some cooperative role by not saying they are not supporting our Advance Queensland policy. I actually think if we work on this in a bipartisan manner, it is for the betterment of Queensland. We know we need to diversify the economy. We cannot just rely solely on our resources sector. We need to diversify now and create those jobs. There is a lot of interest, especially up and down the coast, in biofuels and research technologies that are happening there. I am looking forward to releasing the discussion paper about STEM and coding and robotics in the next couple of months with the education minister and having the conversation that is needed with Queensland and the broader community; not just teachers, students and parents, but also industry. What are the jobs that they are seeing? They will be able to give us a better update about what jobs are no longer needed in their industry and where the new emerging markets are.

It is a very exciting time. It is something that we can grasp also with our geographical location. We know that we can develop closer partnerships with our Asian neighbours. Also, I think we need a conversation about teaching more Asian languages in our schools. To do that, we will need more teachers who can teach those languages. I know from the last community cabinet we went to, it was either your school or that of Peter Russo where they are teaching Mandarin from prep up to year 12. Was that your school?

**Mr PEGG:** Yes, it is Calamvale Community College.

**Ms PALASZCZUK:** That is fantastic. That will give those children so much opportunity into the future. I do not want us to be left behind. We know about the increase in the tourism market with people coming from China, Japan, Korea and Singapore. We need to make sure that we are at the forefront of keeping up with that change.

**Mr PEGG:** I have another question for the Premier. I refer to page 5 of the Department of the Premier and Cabinet SDS, the second dot point, which refers to innovation. Will the Premier outline the purpose and function of the government's Biofutures Cabinet Committee and how it complements the Advance Queensland initiative?

**Ms PALASZCZUK:** Just picking up where I left off from the last question, recently I travelled to Mackay and looked at one of the plants there for biofuels. There is so much opportunity in our regional areas for biofuels. I have been meeting with the mayors and they are telling me that this is a direction

that they want to head into. We are having the discussion at the moment about having an ethanol mandate, which I think is also very significant. When I was in the United States and met with senior representatives of the US Navy at the Pentagon, it became clear to me that the US Navy is moving quickly into the field of biofuels. If we can harness our ability to be able to meet some of their supply, that would create thousands of jobs, so we need to get that work under way now.

I am setting up a biofuels cabinet subcommittee. We will have our first meeting in Mackay. We are finalising a date at the moment. We know how important this industry is to regional Queensland because it means jobs. Front and centre of the budget that was handed down by the Treasurer is jobs. It is about having those jobs now in the community, but also looking at future industries. I believe that when you are Premier of this state you have to be visionary. You cannot just sit back and let everything happen around you. You need to be out there, talking to industry, talking to industry players and investors on the world stage to tell them about how attractive Queensland is to invest in. I have been more than pleased with the level of interest, especially out of the US trade mission, that there is for Queensland, and not just in biofuels, science and research. There is the opportunity for Queensland to have, based on the Gold Coast, essentially a permanent movie industry. There is a lot of interest at the moment about the depth of ability in terms of the people who work in the movie industry, but it is not just that; it is the locations and the creativity that we have. I think it sends a great signal to our arts and creative industries community that we could have a permanent movie industry at some stage in the future based on the Gold Coast.

In response to your question, biofuels are very important. We will be having our first meeting in Mackay in the not too distant future. I believe it is absolutely crucial to look at new and emerging industries.

**CHAIR:** We will go to non-government members. Before I call the member for Southern Downs, could I ask if any other committee members wish to ask a question?

**Mr CRANDON:** Not at this stage for me, thank you, Madam Chair.

**CHAIR:** Member for Southern Downs?

**Mr SPRINGBORG:** Thank you very much, Madam Chair. I refer to the Premier's answer to non-government question No. 2 in relation to new contracts for directors-general. The government now has a number of new directors-general on five-year contracts. I also refer to the Premier's commitment prior to the state election where she indicated that she and her government, if elected, would commit to Fitzgerald principles. Given that Tony Fitzgerald himself in his report said, 'there should be appropriate consultations with "Opposition Shadow Ministers"' before chief executives of government departments are appointed, can the Premier advise when such consultations happened?

**Ms PALASZCZUK:** I am more than happy to talk about our merit based selection process, because my understanding is that that rarely happened under the former government. Members here would be well aware of Michael Caltabiano who was appointed under the former premier, Campbell Newman, to the Department of Transport and Main Roads I think it was. In fact, my director-general may have been in that position previously and was asked to move aside for Michael Caltabiano. We all know how well that worked out for the former government. In terms of merit based appointment, all of the directors-general I have appointed have been merit based. Under the former Newman government—

**Mr SPRINGBORG:** Including Kevin Rudd's former chief of staff and the DG who was there when the payroll system blew up?

**Ms PALASZCZUK:** Sorry: you want to criticise Jim Murphy, the Under Treasurer?

**Mr SPRINGBORG:** I am just saying that you say it is all merit—

**Ms PALASZCZUK:** No, let's talk about Jim Murphy, because Jim Murphy is one of the most highly respected men. When I go to COAG meetings, people are in awe that we have someone of Jim Murphy's calibre working in Queensland.

**Mr SPRINGBORG:** We have not seen much awe come out of it yet, but anyway. We look forward to it—

**Ms PALASZCZUK:** So you want to criticise the appointment of Jim Murphy?

**Mr SPRINGBORG:** I am just saying generally out of COAG—

**Ms PALASZCZUK:** No, let's look at his CV, because I am more than happy to talk about this. I believe Jim Murphy is one of the most outstanding appointments through the merit based—I reiterate: merit based—system, which we did not see under the former government. Jim Murphy was an ANZ

Bank executive with responsibilities for public policy advice to the CEO and board. My understanding is that he was chief of staff to Prime Minister Kevin Rudd for a very short period—a very, very short period. Before that, from 2002 to 2013, at the department of Treasury he was the deputy secretary of markets group with responsibilities for financial system, competition and consumer policy, capital markets, retail investment, infrastructure and foreign investment. From 2001 to 2002, he was at the International Monetary Fund in Washington DC as an adviser. He provided strategic advice on organisational and budgeting issues to the fund board, that is, the IMF, Leader of the Opposition.

**Mr SPRINGBORG:** Had a dip into long-service contingencies, I suppose, as a part of it; maybe.

**Ms PALASZCZUK:** From 1999 to 2000, he was at the Department of Finance and Administration where he was head of the budget policy division. From 1996 to 1998, he was at the department of Treasury and he was the first assistant secretary of the business law division. Therefore, I find it quite unbelievable that the Leader of the Opposition would come in here and criticise a merit based selection process and start criticising people such as the Under Treasurer and the Director-General of Health. Let us go through—

**Mr SPRINGBORG:** If they are—

**Ms PALASZCZUK:** No, I have not finished.

**Mr SPRINGBORG:** If they are of such outstanding merit, why didn't you abide by your commitment—

**Ms PALASZCZUK:** You have asked the question; I am answering it. The Newman government directors-general and senior appointments—let us go through them, merit based: Jon Grayson, no; Michael Caltabiano, no; Barry Broe, no; Ian Maynard, no; Mark Gray, no; Andrew Chesterman from the BCC, no; John Sosso, no; Craig Evans, no; Neil Castles, no; John Glaister, no; Sue Rickerby, no; Richard Eden, no; Brett Heyward, no; David Edwards, no; Helen Gluer, no; Jon Black, no; James Purtill, no; Margaret Allison, no; Michael Hogan, yes; Jim Watterston, yes; Ian Stewart, yes.

There was your opportunity, Leader of the Opposition, under your government, where you were a health minister, a senior figure of the former Newman government, to actually say at the cabinet table, 'Premier, I think that directors-general across all the departments should be merit based'. Wouldn't that have been a sign of integrity and accountability? Did it happen under the former government's watch? No, it did not! Leader of the Opposition, do not come in here and lecture me on merit based selection processes, when you failed utterly and completely.

**Mr SPRINGBORG:** When we are talking about lecturing, merit based and all those things, given that we have had a fair few merit based sackings since the government came in as well, I refer the Premier back to the question that I asked: when did the Premier carry through on her principles to consult with the opposition about these appointments? If they were so meritorious, there should not have been a problem because the Fitzgerald report clearly indicates that there should be consultation with the opposition around such appointments, particularly when they are for such a long period. Don't you subscribe to that view any more, or are the Fitzgerald principles a convenient pre-31—

**Ms PALASZCZUK:** I find it a bit rich that you, as a member of the former Campbell Newman government, are talking about Tony Fitzgerald. What we saw over the last three years—

**Mr SPRINGBORG:** This is your own policies; not Campbell Newman's. I am just saying—

**Ms PALASZCZUK:** What we saw over the last three years was you attacking Tony Fitzgerald. Your government attacked Tony Fitzgerald, the person you are now quoting.

**Mr SPRINGBORG:** You were singing his praises before, but you have not carried it through. All I am saying is, why didn't you do what you said you were going to do? That is all I am saying. Unless there was a letter that got lost in the post, which was sent to us around consultation, I do not remember being consulted.

**CHAIR:** Member for Southern Downs, when you are asking the Premier a question could you just allow her to respond. I also respectfully remind members that this is not a debate; it is an estimates hearing with an opportunity for government and non-government members to ask questions. Member for Southern Downs, did you have another question?

**Mr SPRINGBORG:** Madam Chair, I would appreciate it if the Premier would answer the question about consultation apropos her commitment to Fitzgerald.

**Ms PALASZCZUK:** The directors-general were appointed under merit based. I believe I have acted in the best interests of the Queensland community. I took to the election that I would have a merit based selection process and I have delivered.

**Mr SPRINGBORG:** I am not so sure if Tony Fitzgerald put a caveat around merit or otherwise.

**Ms PALASZCZUK:** You can ask Tony Fitzgerald what he thought of Campbell Newman's government—which you were a part of and which you seem to have forgotten—any day of the week.

**Mr SPRINGBORG:** I asked Tony Fitzgerald what he thought of governments that you were a part of as well.

**CHAIR:** Could I ask the member for Southern Downs if he has another question.

**Mr SPRINGBORG:** Going back, I know what he said about the Bligh government. You are supposed to not be Campbell Newman or the previous government, but you seem to be fixated on it.

**CHAIR:** Could I ask the member for Southern Downs to ask his next question.

**Mr SPRINGBORG:** Yes, I will. It relates to one of the directors-general who was merit based sacked by the Premier—that is, Ian Maynard, who was the director-general of Health. Is it true that the former director-general of Health actually sought a meeting with the Premier to outline his concerns with regard to the issues around the safety of patients that would result as a consequence of the government implementing its policy, particularly around the removal of the surgery guarantee? If that did not get through to the Premier then I would be most interested to know where that actually stopped along the way. I understand that such a meeting was sought. Was it as a consequence of that former director-general seeking that meeting that the director-general was terminated—a director-general seeking to provide free and fearless advice?

**Ms PALASZCZUK:** The merit based selection process happened at arm's length from me. The decisions were made and I announced those decisions. I stand by the decisions that were made.

**Mr SPRINGBORG:** Was this made as part of the merit based selection or prior to that and just after the formation of the government? Is the Premier prepared to release the information in relation to the attempt by the former director-general of Health to bring these matters to the Premier's attention? What action occurred as a consequence? Did we see retribution because somebody was attempting to provide free and fearless advice?

**Ms PALASZCZUK:** While we are talking about directors-general, I want to add that it is my government that also abolished the bonuses that were paid to directors-general under the government you were a part of. That is saving \$1.2 million of taxpayers' funds.

If you want to talk about the former director-general of Health, perhaps you can advise me, Leader of the Opposition—since you were the former health minister—why the contract of the former director-general of Health was the only contract that had a 20 per cent at-risk component? I understand that the bonus provision was 20 per cent and for all other directors-general it was 15 per cent. Could you explain that, please? I would like to know why he was singled out with 20 per cent.

**Mr SPRINGBORG:** I would love to answer questions about our performance in Health. When you actually compare what the director-general did in bringing the waiting list for surgery down from your historical 6,485 to 73 at the change of government—which has doubled since the change of government—and staunching the exponential growth in the waiting list for the waiting list, which was 232,000 at the change of government in April 2012—

**Ms PALASZCZUK:** I do not think the 4,800 Health workers that you sacked would feel the same way.

**Mr SPRINGBORG:** Or the 3,900 that you sent letters to when you were a minister saying, 'Please identify if you consider yourself surplus to requirements.' I have that letter here if you would like to cogitate over it.

**CHAIR:** Member for Southern Downs, could I clarify what your question is?

**Mr SPRINGBORG:** My question basically was: is the Premier prepared to release the correspondence trail in relation to attempts by the former director-general to raise concerns with the Premier around the government's policy with regard to the abolition of the patient surgery guarantee and if that led to retribution that led to his dismissal?

**Ms PALASZCZUK:** I might be incorrect here—I need to get advice—but you are asserting something that I recall the current health minister is actually seeking from you—that is, cabinet documents to clarify a debate about the position.

**Mr SPRINGBORG:** No, the current health minister is purportedly seeking information apropos—unless there is some other thing in the system that I am not aware of—the surgery guarantee and the costs of it.

**Ms PALASZCZUK:** Perhaps you can help by providing those cabinet documents.

**Mr SPRINGBORG:** We have plenty of opportunity during the course of estimates. You can turn around and ask the people if those costings are right. They are properly costed. They are correct. I really enjoy taking questions around Health because it is a big contrast to what we have seen since the election.

**Ms PALASZCZUK:** We can talk about the doctors' agreement. My government was able to bring about peace when you had six months of controversy. In fact, I think you lost your assistant minister over it.

**Mr SPRINGBORG:** We have basically had 12 months of relatively settled terms since August of last year when the matter was resolved and went to a ballot. It actually came through with doctors agreeing to support our—

**CHAIR:** Could I point out to both members that we are getting into debate again. I ask both of you just to remember that this is an estimates hearing and it is an opportunity for non-government and government members to ask questions and it is not an opportunity for debate.

**Mr SPRINGBORG:** Will the Premier release the information that I sought; that is all I am asking?

**CHAIR:** I think the Premier has answered your question. Do you have another question?

**Mr SPRINGBORG:** I assume that is a, no. I would like to very briefly turn to matters apropos 1 William Street. I notice the Premier does not want to go into 1 William Street whilst wanting to go into 1 William Street. I refer to the policy position announced to fill 1 William Street entirely with Public Service agencies. Will the Premier table the advice the state government relied upon that purporting shows the private sector is not interested in taking up space in 1 William Street?

**Ms PALASZCZUK:** I am happy to talk about 1 William Street because it was a decision made by the former government of which the Leader of the Opposition was a party to. I also think around that time that seven office buildings around the CBD were sold off. I think this was also at the time that the then opposition was kicked out of Parliament House. It has actually resulted in the situation where there is nowhere else for government to go other than 1 William Street.

When we came to office we were very concerned about the number of levels that were going to be left vacant due to the mismanagement of the former government. That would have meant taxpayers would have been paying rent for vacant offices. I think that is completely unacceptable. We have to fill those floors. The government has decided that they will be filled by public servants.

**Mr SPRINGBORG:** Where is the advice? Is there anything that indicates that there is no private sector—

**Ms PALASZCZUK:** What I can say, Leader of the Opposition, is that just recently I have been approached by a couple of companies that may be interested. If we can get private sector companies in there I would love to get them in there. Let me make it very clear: this decision was made by your government. Your government made the decision to sell off seven government buildings

**Mr SPRINGBORG:** And save taxpayers a lot of money—\$6,000 per—

**Ms PALASZCZUK:** That is not what the Auditor-General's report said.

**CHAIR:** Member for the Southern Downs, would you please allow the Premier to answer the question.

**Ms PALASZCZUK:** My understanding is that that is not what the Auditor-General's report said.

**Mr SPRINGBORG:** Do we have the advice or do we not have the advice? It is not unusual for people to come forward as you go towards—

**Ms PALASZCZUK:** The Treasurer would have that. I would suggest that you direct that question to the Treasurer. He will be appearing this afternoon.

**Mr SPRINGBORG:** Invitation accepted.

**Ms PALASZCZUK:** In terms of 1 William Street, my government took immediate action to cut some of the waste that was occurring. From memory, there was some marble, some rugs and some timber cladding. Once again, this was all approved under the former government. I am trying to save taxpayers' money as much as I possibly can and tone down the extravagance that existed under the former government, which you were a part of.

**Mr SPRINGBORG:** My next question, because I am not going to get the documents, relates to the Terry Mackenroth's volunteering for Queensland program which happened just after the change of government.

**Ms PALASZCZUK:** I have some of the figures which were published in the *Sunday Mail*. The marble was about \$185,000, the rugs were \$130,000 and the polished wood was around \$470,000.

**CHAIR:** We will move onto government questions.

**Mr CRAWFORD:** I refer to the department's responsibility for increasing innovation, referenced at page 5 of the SDS. Will you outline programs within the Advance Queensland program designed to attract investment in innovation and support new and emerging businesses?

**Ms PALASZCZUK:** Thank you very much, member for Barron River. When I was in opposition I convened two Advance Queensland round tables to work with universities and business to develop a plan that will help create knowledge based jobs for the future. The feedback from these round tables was that while we have great research facilities and excellent talent, more could be done to link ideas with industry to turn them into jobs.

The view was further reinforced, as I stated previously, when I travelled to the United States. That is why the \$46 million Advance Queensland Future Jobs Strategy, which I have already mentioned, is so important. It will help to tackle innovation challenges and deliver 10-year road maps for industries with global potential such as biofuels and industrial biotechnology. This is the sort of initiative that could provide the catalyst for a brand-new industry in Queensland that builds on our strengths. Further, it has the potential to support jobs and economic growth in regional areas.

We have also allocated \$76 million to the Advance Queensland Business Investment Attraction Program. This package will encourage a new wave of Queensland start-ups, support proof-of-concept projects and attract co-investment through the business development fund. There is a lot of interest in this Business Development Fund.

We have all heard of global IT giants such as Facebook and Google. There is no reason why we could not have our homegrown, global IT giants right here in Queensland. We have the talent. With Advance Queensland we will have the environment to support them. We already have plenty of local success stories in the IT sector such as RedEye and the Halfbrick, to name a couple. I am hoping that we can develop more.

The objective will be to further assist through the \$40 million Business Development Fund. The fund will provide seed co-investment, encourage greater angel and venture capital investment in Queensland businesses and help turn innovative ideas into a commercial reality. Funding will be invested over a four-year period starting this financial year and will help build a vibrant, early stage investment market in Queensland.

We have structured the fund after getting feedback and insight from some of the world's leading venture capital experts and investors. For example, in San Francisco I met with Accel Partners, a global venture capital firm. They saw the early potential in ideas and companies such as Facebook, Dropbox and Spotify. Their expertise has provided us with real world insights into what can work and what will not. My government will be further consulting key stakeholders in the coming weeks to ensure that the design of the fund, including the investment criteria, maximises its ability to attract new investment into Queensland and grow knowledge based jobs now and into the future.

#### **Proceedings suspended from 12.13 pm to 12.44 pm**



**CHAIR:** The committee will now resume its examination of the portfolio of the Premier and Minister for the Arts. Premier, I understand that you wish to clarify something from this morning.

**Ms PALASZCZUK:** I said that the western roads upgrade package was \$52 million. It is in fact \$40 million in state funds over two years to deliver the western roads upgrade program, comprising 14 regional priority road projects across Western Queensland.

**CHAIR:** Thank you very much. I call the member for Barron River.

**Mr CRAWFORD:** I refer to page 115 of the SDS for the Department of the Premier and Cabinet, and I ask: what was the Auditor-General able to discern about whether the Department of Justice and Attorney-General received value for money in its budget allocation and subsequent expenditure for the sentenced boot camp at Lincoln Springs?

**Ms PALASZCZUK:** Thank you very much for the question. As we know, that report that was handed down was a very significant report. The former government commenced a youth boot camp trial in early 2013 in two locations in Cairns and on the Gold Coast. This program was administered by the youth justice division of the Department of Justice and Attorney-General. This program was expanded in March 2013 when the former premier and former attorney-general announced an open

expression of interest process to select service providers for three new locations—Rockhampton, Fraser Coast and Townsville. These locations subsequently changed, with the Cairns and Townsville boot camps being combined into a single location at Lincoln Springs.

On 9 April this year the Auditor-General tabled report No. 13 for 2014-15 titled *Procurement of youth boot camps* in the parliament which assessed whether the boot camp services represented value for money from a procurement perspective. In the report the Queensland Audit Office is highly critical of the former attorney-general's final decision to award the Lincoln Springs contract to Beyond Billabong and the Fraser Coast contract to Hard Yakka. The report found that the Lincoln Springs and Fraser Coast contracts did not achieve best value for money and suitable lower cost service providers were available. It also found that the cost of the boot camp initiative rose from the initial budget of \$4.9 million to an estimated \$12.3 million, a budget overrun of \$7.4 million. The report also stated that it was clear from experience that the project for the extended boot camp trial was not fully costed or that the costs were not fully understood by the department prior to its approval.

Further to this, the report also highlighted that there was a lack of documentation to support the decisions, leaving the process open to accusations of favouritism which in the absence of a clear documentation trail could not be readily rebutted. It was concluded that the lack of transparency and decision-making weakened accountability and program administration particularly around the responsibility for costs.

I think the committee can clearly see that what was budgeted for—a lesser amount—was completely blown out and there were concerns about how the contracts were awarded. I think it is a good lesson for government to take into account what the Auditor-General has said. Once again, I want to express that it is a very serious issue when there is a huge blow-out on such an important issue as when you are dealing with young people. My government is focused on making sure that those young people are being appropriately looked after in those settings. I might leave it there. The Attorney-General might raise some of these issues at a later date.

**Mr CRAWFORD:** I refer to page 51 of the SDS for the department, and I ask: what action is being taken to ensure that the Queensland Family and Child Commission will build partnerships with community stakeholders?

**Ms PALASZCZUK:** I thank the member for Barron River for the question. The safety and wellbeing of our children is absolutely paramount. The Queensland Family and Child Commission is responsible for developing sustainable strategic partnerships across the child protection sector. As part of this role, the commission has proposed the establishment of an advisory council to provide strategic advice. I have been advised that in principle agreement has been reached with a number of proposed advisory council members. Once this appointment process is complete, the council will have its meetings. It is anticipated that the new council will meet for the first time in the last quarter of this year.

The commission has also been given the responsibility of developing a three-year research schedule to build the evidence base for improved child protection practices. This task has arisen as a result of the Child Protection Commission of Inquiry's recommendation to develop a three-year rolling research schedule in conjunction with research institutions and also practitioners. The commission has been consulting widely with stakeholders including institutions and practitioners across both government and non-government sectors to identify sector-wide research gaps and priorities. After consultation, a draft three-year research schedule incorporating a number of distinct research projects will be developed.

While the three-year plan is being developed, important research projects will be undertaken and considered. For example, a priority research project has been initiated to explore and measure the social and emotional wellbeing of primary school aged children. The project will involve the use of an interactive game and, through playing the game, researchers will be able to assess a range of social and emotional factors in the child. The project has been developed by Griffith University, and it will be conducted by the university in conjunction with the Department of Communities, Child Safety and Disability Services, the Department of Education and Training and the commission. In relation to the three-year research plan, consultation is continuing and the commission expects to release the draft schedule in late 2015.

**CHAIR:** I call the member for Stretton.

**Mr PEGG:** I have a question for the Premier. I refer to page 51 of the SDS for the Department of the Premier and Cabinet, and I ask: will the Premier please explain what action the government is taking to implement recommendation 6.1 of the QCPCOI report to enable easy access to child protection services and to provide an overview of services for referral and planning purposes?

**Ms PALASZCZUK:** Thank you very much for the question. As I said before, the safety and wellbeing of our children is paramount. A key strategy to help achieve this aim is to improve access to an awareness of services that meet the needs of vulnerable Queensland children and families. As recommended by the Queensland Child Protection Commission of Inquiry, the Queensland Family and Child Commission is currently working with the Department of Communities, Child Safety and Disability Services to establish an online statewide community services directory. The directory will provide a single reference point of community services available to families and children such as the new Family and Child Connect services. The directory will allow Queensland families not only to find and access services but also to assist professionals by providing an overview of services for referral and planning purposes.

The QFCC has sought input from a wide range of government and community based organisations with extensive experience in supporting children and families, including PeakCare, Create and the Queensland Aboriginal and Torres Strait Islander Child Protection Peak, to ensure that the directory best meets the needs of both families and professionals. The QFCC also explored a range of delivery options including linking with or expanding the scope of existing service directories. QFCC and the Department of Communities, Child Safety and Disability Services have agreed to collaborate on the delivery of the directory.

In addition to the initial funding provided to build this system, the government has also provided additional recurrent funding to ensure this directory is appropriately maintained. The directory is on track to be implemented by the end of this year and it will be complemented by the next phase of the Talking Families social marketing campaign, which is helping to raise awareness of the role Queensland families and communities can play in the protection of vulnerable children. The aim is to help struggling families by linking them with the right services at the right time.

**Mr PEGG:** I have another question for the Premier. I refer to page 27 of the SDS for the Department of the Premier and Cabinet, and I ask: could the Premier please outline the government's response to the Bryce report recommendations and the status of the government's strategy?

**Ms PALASZCZUK:** Thank you very much, member for Stretton. This is a very important question. It is one that I am very pleased to talk about because I was able to make a very significant government announcement today. In relation to the *Not now, not ever* report, I am pleased to announce today that my government has accepted the entire 140 recommendations. This is significant. As part of the announcement, there will be a number of areas that we will be looking into. We know we invested \$31 million as part of our budget, but now we are setting the path for what else needs to be done.

When I was at COAG recently, I met with Rosie Batty, and we had a very good discussion about respectful relationships, and respectful relationships must start early. So we will be looking at having courses in schools basically teaching the students what a respectful relationship is. We cannot leave it until the young person becomes an adult; we need to get in there early. We will also be looking at making some changes to law reform and looking at increasing the penalties which I think is also very significant. We will be looking at integrated service responses. On the Gold Coast they have a fantastic integrated service response. We will be putting \$300,000 into three different sites across Queensland to see if we can bring more services together so they can respond. What we find is that women get lost in the system. There are families and children involved and we need to make sure that we can give them as much support as we possibly can.

On behalf of the government I would like to thank Quentin Bryce. I want to acknowledge that this report was commissioned under the former government. But we actually offered at the time bipartisan support and I hope that the opposition would offer bipartisan support in terms of now implementing the recommendations of the report. This is absolutely significant. We need to do everything we can. We need to change culture and behaviours and attitudes that allow domestic and family violence to occur. We need to develop integrated service responses. We must reform the legal and justice systems. I would like to pay tribute here to the Chief Magistrate, who is now looking at making sure that magistrates are actually made more aware of women entering the system.

One of the issues Rosie Batty raised with me was that women get lost in the system. They go from one court to next court and their case history is lost. I think that trial that we have in place for a domestic violence specific court will make a marked change. As part of this process we also conducted 15 minister chaired community leader round tables on championing cultural change. I was very pleased to attend one of those meetings with some of the church leaders. What we are saying to Queensland is that everyone now must be a part of this. Government has its role to play but as a community we need to help change the attitudes and we need to participate in changing the culture. I will leave it there.

**CHAIR:** We will go to non-government members. I call the member for Southern Downs.

**Mr SPRINGBORG:** I would like to go back to the question that I was asking before the break in relation to Terry Mackenroth volunteering for Queensland and his time in the Premier's office just after the change of government. Will the Premier release a list of all businesses and non-government individuals that Mr Mackenroth made contact with while working from her office in the transition to government stage?

**Ms PALASZCZUK:** Let me just make it very clear that Terry Mackenroth is not only a well-respected businessman but also a very well-respected former member of this House. I find it quite surreal that you are almost implying that there is something wrong with a former member of parliament who has been a deputy premier and a treasurer of this state—

**Mr SPRINGBORG:** And in local government administration.

**Ms PALASZCZUK:**—who actually helped my government in the transition. This is nothing new. When governments transition they rely on an array of people to come and help them. From the reports I am hearing from people around the state and within the public sector, it is one of the smoothest transitions to government that has happened. I also want to point out that Campbell Newman, the former premier, whom I do not hear the opposition talk much about any more these days—

**Mr SPRINGBORG:** That's your only policy: you're not Campbell Newman.

**Ms PALASZCZUK:** No, let me be clear here. He appointed Terry Mackenroth to a new committee to provide direction for flood donations. That was on 30 January 2013. 'Premier Campbell Newman today announced the membership of the committee which will be chaired by former Queensland treasurer and deputy premier Terry Mackenroth.'

**Mr SPRINGBORG:** Absolutely.

**Ms PALASZCZUK:** So he is okay to be a chair under your government but he is not okay to be a volunteer. Terry Mackenroth did not get paid anything. He volunteered his time to help me and my government transition—

**Mr SPRINGBORG:** On level 15 of the Premier's office where a lot of people—

**CHAIR:** I ask the member for Southern Downs to allow the Premier to answer the question.

**Ms PALASZCZUK:** Let us contrast Terry Mackenroth with Michael Caltabiano, a former member of parliament. Under your government he was appointed to a \$600,000 or \$500,000 job that was not merit based. If you want to start contrasting former members of parliament, Leader of the Opposition, I think you should have a look in your own backyard first.

**Mr SPRINGBORG:** Madam Chair, my question remains the same. Given that we have a benevolent volunteer sitting in your front office on level 15—

**Ms PALASZCZUK:** No, he is not sitting there.

**Mr SPRINGBORG:** He was not on level 15 during the transition?

**Ms PALASZCZUK:** During the transition to government he came into the Leader of the Opposition's office when I was the Leader of the Opposition. Then he came in and I think sat on a chair in the chief of staff's office. That is where he sat. He was not there full time. I do not know where you are getting this from. He was not paid. No taxpayers' money was spent—

**Mr SPRINGBORG:** I never said that. I said that he was benevolently volunteering; I agree with you, but I was just saying that he was in—

**Ms PALASZCZUK:** He did not have an office. He did not have a phone.

**Mr SPRINGBORG:** But it is a bit unusual to have volunteers of that calibre just sitting in the Premier's office in transition.

**Ms PALASZCZUK:** He was helping with the transition to government.

**Mr SPRINGBORG:** Can you assist us with our concerns around accountability? If you have your full-time staff there, their information and their communications are open to RTI and all those sorts of things. You can understand my concern that an arrangement like this allows a person to pursue certain things in circumstances where they are not subject to the normal accountability processes.

**Ms PALASZCZUK:** I am not going to indulge in these personal attacks today.

**Mr SPRINGBORG:** It is not—

**Ms PALASZCZUK:** It is a personal attack on someone's reputation.

**Mr SPRINGBORG:** How?

**Ms PALASZCZUK:** Because you are implying that he was in there getting access to information, which is simply not the case

**Mr SPRINGBORG:** So he did not talk to any NGOs, any businesspeople or a range of other people who may have had business connections—

**Ms PALASZCZUK:** Not in my office. You will have to ask him that, but not in my office. I am sick of these personal attacks. Contrast very clearly Terry Mackenroth, who was not paid a cent under my government to help with the transition, to Michael Caltabiano, a senior member of the LNP who was appointed without merit based selection to one of the most senior positions in government—

**Mr SPRINGBORG:** So he only had contact with staffers?

**Ms PALASZCZUK:**—that of the Department of Transport and Main Roads. My director-general sitting here next to me is a highly respected former director-general. He was so respected that my director-general was hired by the New South Wales government in that same role, and you chose to replace my director-general with Michael Caltabiano. The payout figure for Michael Caltabiano, from memory, was around \$600,000 but I will confirm that. He was appointed at a director-general level of around \$500,000, but I am prepared to correct the record if I am wrong. You are now coming in here and personally attacking someone who volunteered their time to help with the transition to government.

**Mr SPRINGBORG:** If you have a volunteer of such influence in your office at any time, they can have contact with a range of people but because they are a volunteer their dealings with external agencies and individuals do not have to be publicly disclosed. Are you saying, Premier, that his only contact with was staff members and not with anyone involved in an NGO, business or anything like that—none of those links?

**Ms PALASZCZUK:** My understanding is that the time he was in my office he was working on transition to government.

**CHAIR:** I think the Premier has answered the question.

**Ms PALASZCZUK:** I have answered the question.

**CHAIR:** I ask you to ask a new question.

**Mr SPRINGBORG:** With due respect, Madam Chair, the Premier hasn't. I asked whether the Premier would be prepared to release a list of businesses and non-government individuals that the former deputy premier had contact with. That was my question. I have no problem with your director-general. I think you are very passionate about your director-general. He seems like a nice man, but my question was about—

**CHAIR:** The Premier has answered the question. I ask the member for Southern Downs to ask a new question.

**Mr SPRINGBORG:** She hasn't answered. Well, she is not going to answer it.

**CHAIR:** I ask you to ask a new question, please.

**Mr SPRINGBORG:** It is very easy to release that information without a diatribe.

**CHAIR:** I ask the member for Southern Downs to ask a new question.

**Mr SPRINGBORG:** My question is to the director-general, and it relates to an earlier question that I framed around the former director-general of health, Ian Maynard. This director-general may not have been there at the time; there may have been an acting director-general. What happens in the circumstance where a director-general from a department makes contact with the director-general of the Premier's department or an acting director-general of the Premier's department—as I understand Mr Maynard did on 24 February—asking to address concerns around government's policy in the area of improved patient safety outcomes, increased access to services, EDs and those sorts of things? What is the normal process? Does that escalate to the Premier or is a decision made to deal with that down the line? How is that normally progressed?

**Mr Stewart:** I am still trying to see where this relates to the SDS.

**Mr SPRINGBORG:** It relates to the accountability of government and its instruments. Today we heard the Premier talking about the merit based appointments of a number of directors-general. She says merit based appointments; I have seen merit based sackings, but there has been a whole range. We have been able to talk about merit based appointments. One of the reasons—

**Ms PALASZCZUK:** I raise a point of order, Madam Chair. The questioning is really misleading.

**CHAIR:** Member for Southern Downs, I am failing to see the relevance to the appropriations—

**Mr SPRINGBORG:** These things lead into the meritorious consideration or otherwise of the ongoing potential tenure of someone who would seek to provide frank and fearless advice.

**CHAIR:** I rule that out of order on relevance. Could you move on to the next question, please.

**Mr SPRINGBORG:** It is interesting we can talk about merit based appointments but we cannot talk about merit based sackings. Do we have the Commissioner for Children and Young People in the room? Mr Wise, you are the acting principal commissioner?

**Mr Wise:** That is correct.

**Mr SPRINGBORG:** My question relates to the 121 recommendations contained in the Carmody report titled *Taking responsibility: a roadmap for Queensland child protection*. Can you give the committee a report status with regard to the 121 recommendations, particularly any recommendations that have been progressed since 1 February this year? If you do not have that information, I would be happy for you to take that question on notice.

**Mr Wise:** No, I do not have information in relation to the 121 recommendations. There are probably issues in terms of the scope or the role of the Queensland Family and Child Commission as to whether it is the body that is meant to be looking at implementation of those reforms. Under the reform recommendations, a reform leaders group was established and governance arrangements relating to that. That is probably the more correct avenue from which to seek an update in terms of the project management and the implementation progress.

**Mr SPRINGBORG:** I am happy for you to come back to us with an update status and any information that is relevant.

**Mr Wise:** My point was more that the information is held within DPC, which is managing the governance arrangements for the reform process.

**Mr SPRINGBORG:** I am happy one way or the other for information to be provided as to the status of those 121—

**Mr Stewart:** Do you want me to give you—

**Mr SPRINGBORG:** If you can, Director-General.

**Mr Stewart:** The government is committed to ensuring Queensland children and young people are cared for, protected, safe and able to reach their potential. In 2015-16 more than \$60 million will be provided to help vulnerable families under a 10-year program that is implementing the recommendations of the Queensland Child Protection Commission of Inquiry. Existing early intervention programs will continue and be expanded to Brisbane, Mackay, Mount Isa, the Gulf, Cairns and surrounds, Cape York and Torres Strait. By 2016 Queensland will have 19 Family and Child Connect services with funding of \$39.8 million over three years, helping some 35,000 families each year.

Aboriginal and Torres Strait Islander families will also be supported through expansion of the integration of the Aboriginal and Torres Strait Islander family support and child protection services, improving access to a range of culturally appropriate programs and services with an emphasis on the right service at the right time. Child protection reforms will ensure families are supported early and prevent problems with families escalating and affecting children's safety and wellbeing.

**Mr SPRINGBORG:** I have a question for the Auditor-General. My question relates to public servants being taken off site to union headquarters in order to formalise policy for implementation of government. I am aware that this happened in circumstances when the new government changed where staff were routinely taken off site to the Queensland Nurses' Union office for quite a number of days. My concern relates to how this provides a cost benefit to the people of Queensland because the reason this is taken offline is that the cost modelling and a whole range of other things which are captured and kept within the various departments are not readily available.

**Ms PALASZCZUK:** I rise a point of order. Is this in the SDS?

**CHAIR:** Yes, thank you, Premier. Although you have drawn a very long bow to attempt to connect this to the appropriations we are considering, I ask the member to point out to me how it is relevant to the appropriations we are considering.

**Mr SPRINGBORG:** As we know, the Auditor-General has responsibility under the Financial Administration and Audit Act to ensure that we have transparency in processes regarding the administration of public funds and value for public funds in Queensland. For all intents and purposes, a process which takes public servants offline in order to develop policy elsewhere with significant cost

implications has a significant impact potentially on the administration of public finances. It is information that is not readily captured and reported on within the government's own internal processes of administration. If the government does not want to allow this to be answered, that is a matter for them.

**CHAIR:** I think we are going into the area of asking a public servant their opinion on government policy and, as such, that is out of order. Would you like to go on to your next question, please.

**Mr SPRINGBORG:** I certainly do have questions regarding other matters of public administration in Queensland. As the Auditor-General would remember, the Auditor-General did a very thorough review on the right of private practice in the state and found some \$800 million had virtually been spent without any benefit to public patients in Queensland. The review indicated that there needed to be a process of accountability that ensured private practice payments were properly apportioned or were getting value for taxpayers. I refer the Auditor-General to the recent agreement around MOCA 4 with doctors in Queensland. Is the Auditor-General in a position to indicate whether the concerns that he outlined in his right of private practice report have been thoroughly considered as a part of those new agreements with doctors that overcome the issue of cost utilisation of operating theatres, which I understand you were considering as well, and the issue around time in motion, which has been a major concern you had and found, to your great credit, had been a problem. There is also the issue of ensuring that right of practice payments were getting value for money. Is the Auditor-General satisfied that all of those issues are addressed?

**Mr Greaves:** Chair, I can respond to that. Thank you very much for the question. The short answer to the first question is that I am not in a position today to form a judgement about the most recent arrangements that have been entered into simply because I have not examined them in the context of either my current financial audit or a current performance audit. In due course it would be one of the audits that I would include in my list of follow-up audits. At that stage we would examine all actions taken since my report including the actions taken under the former government to enter into contracts and then the actions that I understand have been taken now to remove those contracts. They would come within a future review should I undertake a future review or a follow-up. You are quite right; I am also in my strategic audit plan. For the next financial year, this budget year, my focus in my strategic audit plan is looking at the efficiency of hospitals, the efficiency of theatre utilisation and the efficiency of utilisation of high-value medical equipment. Neither of those addresses this particular issue about the remuneration arrangements in relation to senior medical officers at this stage.

**CHAIR:** We will move to government questions. I ask the member for Stretton to ask the next question.

**Mr PEGG:** I have a question for the Premier. I refer to the Department of the Premier and Cabinet SDS page 27, and I ask: can the Premier please outline the key budget announcements in relation to domestic and family violence?

**Ms PALASZCZUK:** Thank you very much, member for Stretton. I might follow on from what I was speaking about earlier when I talked about what the government was going to do in relation to accepting the 140 recommendations today. I think it is also very significant that during our most recent budget we actually announced some initiatives as well.

We have allocated \$31.3 million over four years in the 2015-16 budget to implement the first wave of recommendations of the final report of the Special Taskforce on Domestic and Family Violence in Queensland, *Not now, not ever*. This funding will support a number of priority initiatives arising from the task force. The budget allocates \$327,000 to establish a trial of specialist domestic and family violence Magistrates Courts for six months from September this year. The task force report highlighted the need for better support for victims and stronger accountability for perpetrators and recommended specialist Magistrates Courts to deal with applications of domestic violence orders. The idea of having that domestic and family violence Magistrates Court was something that was made very clear to me in my conversations with Rosie Batty. The trial being conducted in Southport will inform consideration of the design for specialist courts across Queensland. Over \$2 million is being allocated over four years to increase staffing of the Domestic and Family Violence Death Review Unit in the Office of the State Coroner and to establish an independent domestic and family violence death review and advisory board. In order to create the systems and culture to eliminate domestic and family violence, it is essential that we understand the causes of and contributors to the violence.

The task force report highlighted significant gaps in crisis accommodation in Brisbane and Townsville and recommended immediate action to provide expanded crisis accommodation in these locations. In this budget we commit a total of \$19.886 million over four years to establish two new,

dedicated 72-hour crisis shelters in Brisbane and Townsville, and I know that has been very well received. An amount of \$500,000 has been committed to a comprehensive statewide audit of domestic and family violence services in Queensland. The results of this audit will identify areas of urgent need and will inform a long-term strategic funding and investment model.

The budget also includes a commitment to COAG of \$3 million to contribute towards a national communication campaign to reduce violence against women and their children. Can I reiterate how important it is to have domestic violence on the COAG agenda. It has been there twice. It will be coming up again at the end of the year. We must keep it there until we see dramatic change. In addition, a further \$1.1 million was approved in our budget to expand the domestic violence duty lawyer service for both victims and respondents provided through Legal Aid from one to 14 locations. Again, that is also really important. I know that with your background of being a lawyer, you would also appreciate how important that is, especially in our local communities. This will address one of the most concerning findings of the task force report that victims in particular are either inadequately or not supported at all through the justice system.

**CHAIR:** Premier, I refer to page 27 of the SDS, and I ask: what is your government doing to help protect young Queenslanders with a mental illness?

**Ms PALASZCZUK:** Thank you very much, Chair. We all know how important it is to make sure that we are doing everything we can, especially with young people who are going through mental illness. What we do know is that, tragically, three young people lost their lives when the Barrett centre was closed down. The sequence of events leading to the closure of the Barrett Adolescence Centre at Wacol and the tragedy which followed that decision by the former LNP government is a mystery for those families and those children who were in its care. These young people's lives were taken too soon.

As I said in the parliament—and I will say it again—I had personally met one of those young women. I try to keep in contact with members of the Barrett centre. I went to a function with them towards the end of last year. They want answers. The families are just desperate to find out what went wrong. These deaths have had a devastating effect on their friends, their families and their communities.

My government is keeping our promise to those families. We are establishing a commission of inquiry which will investigate the previous LNP government's decision to close the Barrett Adolescent Centre and the subsequent deaths of these three teenagers who were classified as high risk. The commission of inquiry will investigate why the previous government made the decision to close this critically important facility. It will investigate how decisions were made, who made the decisions and what evidence was available and considered before the centre was closed. We have appointed retired Justice Margaret Wilson under the Commissions of Inquiry Act with the full powers to summon witnesses and call for the presentation of all documents during the inquiry.

The inquiry will be held between 14 September this year and 14 January. Justice Wilson is very well qualified. She was formerly a judge of the Queensland Mental Health Court from 2002 to 2005. She will strive to find out the truth. We will look at the recommendations as a government once that inquiry has been completed.

Chair, I want to put on the record my sincere thanks to the families for being in constant contact with us. We are there to support them, but we also know that young people at high risk do need extra supports around them. It is something that we need to address not just as a government but also as a community.

**CHAIR:** I call the member for Barron River.

**Mr CRAWFORD:** I refer to page 4 of the Department of the Premier and Cabinet SDS where it states that one of the government's priorities is to lead a whole-of-government focus on social inclusion and social innovation. Can the Premier explain what the government's commitment to the NDIS launch site is and how this is to be funded?

**Ms PALASZCZUK:** Thank you very much, member for Barron River. As a former minister for disability services and now as Premier, I know how important the rollout of the National Disability Insurance Scheme is. If this scheme is to roll out smoothly, we must have a launch site in place as soon as possible. My recollection is that I have written to the Prime Minister about this matter but I am yet to hear a response. What my government has done is we have put in place funding for a trial site. We now need to know from Tony Abbott whether he is going to match the funds that are needed. We know how important this is for people with a disability, but you cannot roll out a massive new scheme without testing it first.

Time is running out. We have to sign up very shortly, but we need to find out first and foremost from Tony Abbott if they are going to match the funds because we are ready to go. We have the site. Maybe we would not have been in this situation if the former government had actually said yes to a national disability trial site. My question to some of those former government members is: why was this not seen as a priority? There are thousands of people with a disability out there. They are trying their best. They want this to happen. We are working with them and we need to know whether Tony Abbott is going to come on board with the federal government and support us in relation to rolling out this trial site. My commitment is there. We have put some money in the budget, but now it is up to the federal government.

**CHAIR:** I call the member for Stretton.

**Mr PEGG:** I have a question for the Premier. I refer to page 4 of the Department of the Premier and Cabinet SDS which refers to the Queensland government's objectives for the community including a focus on integrity and accountability, and I ask: what steps has the Premier taken to improve the integrity and accountability measures in place in Queensland?

**Ms PALASZCZUK:** Thank you very much. Fundamental to my government is integrity and accountability. I believe that Queenslanders believe that it is essential to the running of an efficient and open government, and it was something that was sorely lacking over the past three years. Today is a clear example of restoring integrity and accountability back to Queensland. Today we are putting in place one of the first key steps by saying that this estimates process will be held over the two weeks. The ministers will be here. The Leader of the Opposition will have the opportunity to attend every estimates hearing if he wants to, unlike the shambles that was the last estimates hearings.

In relation to other matters, I have talked at length about the merit based selection process for directors-general. I believe that it was the right thing to do. I made that commitment to Queenslanders and I have acted in relation to that.

We have also restored the independence and autonomy of the Speaker to run the Parliamentary Service including its budget. We have also limited MPs' pay rises to that of public servants. The Electoral and Other Legislation Amendment Bill was the first bill that we introduced into the Queensland parliament. It contained significant reforms. It returned the threshold for reporting political donations to \$1,000 from \$12,800 to which the former LNP government had raised it. We also removed the discriminatory and unnecessary voter proof-of-identity requirements, also introduced by the previous government. Queensland was the only jurisdiction in Australia to have adopted these onerous proof-of-identity requirements that imposed further obligations on Queenslanders exercising their right to vote. It was particularly unfair to more vulnerable Queenslanders who may not have had photo ID.

We have also ensured that the recruitment process for the new chair of the Crime and Corruption Commission was conducted through an open, accountable and international process. I am pleased to have announced recently that Mr Alan MacSporran will commence in this role on 1 September this year. Can I say in relation to Mr MacSporran that I have been overwhelmed by the number of people who have approached me and said that that was one of the most significant appointments of my government, that he is a well-respected lawyer and he will bring a great degree of respect to that role as he now will head up the CCC commencing on 1 September. I firmly maintain that integrity and accountability will be the bedrock on which every government should be formed, and it certainly is the case when it comes to my government.

**CHAIR:** We will go to non-government members. I call the member for Southern Downs.

**Mr SPRINGBORG:** Except in the case of Jo-Ann Miller. Madam Chair, I have a further question to the Auditor-General. You would be very much aware and recollect the report that you did last year—or it may have been the year before—into the business case surrounding three new hospital or hospital redevelopments in this state, being the Queensland Children's Hospital, now Lady Cilento, the Sunshine Coast Public University Hospital and the Gold Coast University public hospital. Quite clearly, in your report you indicated that there was \$2.2 billion wasted or not properly applied as a consequence of no business case around that. So \$2.2 billion went up in smoke. You would also be aware that there were three instances which were undertaken by us in government around potential outsourcing of particular clinical support services: Gold Coast University, Lady Cilento and also Sunshine Coast University Hospital. That process was well underway with regard to the Sunshine Coast University Hospital with particular pathways to outsourcing virtually being in place prior to the change of government. I understand that all of those contestable items have now been frozen and it has been brought back in-house. Has the Auditor-General had a look at the business case or the circumstances surrounding the cost-benefit of bringing those services, which were planned to be outsourced, back in-house?

**Mr Greaves:** The short answer to that question is at this stage no, Chair. The consideration of cost benefit normally arises when I undertake a performance audit. During our financial audit we primarily have regard to whether or not the expenditure that has been recorded has been recorded correctly in the financial statements. It is not necessarily something that would arise through my current financial audit of the Department of Health or the relevant HHSs. It is something that I would or may consider in a future performance audit, but it is not something that I have presently examined.

**Mr SPRINGBORG:** But in circumstances like that you may consider how, if a business case was being advanced to show that there was a cost benefit on one hand and that has been changed without any consideration of that cost benefit, that may have impacted upon performance or the cost benefit to the state.

**Mr Greaves:** Certainly, Chair, I think the key distinction to make—and one that I have been at pains to make over my time as Auditor-General—is that at the end of the day I do not question the decisions that are made by the executive government. I simply look at the advice that has been given to the executive government in making those decisions. In that context I would be interested in any analysis that was provided before and after the decision as to the relevant cost benefit of the various decisions. But that is not in and of itself to criticise the decision; it is simply to see what advice was provided.

**Mr SPRINGBORG:** Thank you very much, Auditor-General. Is it possible for me to ask a couple of questions of the Public Service Commissioner?

**Mr Setter:** Robert Setter, Chief Executive, Public Service Commission.

**Mr SPRINGBORG:** Thank you, Mr Setter. I refer to the process for the reappointment of the Police Commissioner in recent times. Did the Premier or the police minister seek your advice before choosing to renew the contract of the Police Commissioner without a merit based advertising process?

**Mr Setter:** Chair, we were asked certainly as a commission in terms of the emerging time line for options that would be available to the police minister in making the decision. I discussed with the Director-General of the Premier and Cabinet what those options were, and that was the extent of my involvement.

**CHAIR:** I would point out to the member for Southern Downs that there is an inference in that question and could you take care not to repeat that in any further questions.

**Mr SPRINGBORG:** Thank you, Madam Chair.

**Mr Stewart:** May I add to that?

**Mr SPRINGBORG:** I have had a few inferences come back my way today, but apparently inferences can only go one way.

**Mr Stewart:** The other thing to note is that, unlike contracts for directors-general, the Police Commissioner's appointment is administered through a unique and separate act. It has separate employing legislation with its own terms and conditions. From my understanding—and the Public Service Commissioner and Chief Executive will correct me—directors-general are appointed under the Public Service Act, and the Premier is the authority on recommendation to governor-in-council.

My understanding with regard to the Police Commissioner is that three years ago he did go through a merit based process, and there was approval of governor-in-council at that time for a five-year period and there was a three-plus-two option. I think, just to put it in context, it is a different act. The Premier is not the recommending body; it is actually the minister. It is my understanding that the act requires the police minister to consult with the chairperson of the Crime and Corruption Commission, and my understanding is that that occurred. I think what I am trying to say is that there is a different act.

**Mr SPRINGBORG:** Madam Chair, my further question to the Public Service Commissioner relates to page 99 of the SDS, which claims that the recruitment of chief executive officers will be founded on merit. Commissioner, can you explain to me the merit based process which was used to terminate the then director-general of Health, Ian Maynard?

**Mr Setter:** Chair, the merit based process is for the recruitment of directors-general to government. The process is not one that is considered in terms of termination of directors-general. That is a matter of negotiation with the Director-General of the Premier and Cabinet.

**Mr SPRINGBORG:** The Commissioner may not be aware of some of the circumstances leading up to that, and I will give him that particular latitude. I have another question for the Commissioner.

I refer to what has been the miraculous appointment of Labor Party apparatchik and former ministerial staffer Mr Robert Hoge to head communications in Queensland Health. I am happy to take this on notice. Could the Commissioner report back on what advertising process took place for this position; how it became vacant; the range of the search for applicants; and the value of remuneration and the composition of the panel that selected Mr Hoge?

**Mr Setter:** Chair, the matter of appointment within departments or agencies is a matter for the director-general of that department. I have no optics or sight around the process that would have been used. If I could be so bold, the question should be directed to the director-general for Health.

**Mr SPRINGBORG:** But you could be very confident that, given the Premier says that she is all about openness and accountability, it would be absolutely merit based.

**CHAIR:** I think the Public Service Commissioner has correctly referred the member for Southern Downs to the appropriate director-general for Health.

**Mr SPRINGBORG:** Thank you very much, Public Service Commissioner. If we can ask the Auditor-General to return, please, I just have another question that I would like to ask. It may be a matter that the Premier might like to answer on his behalf. It refers to the funding of particular organisations, and here I refer to the Environmental Defenders Organisation, which has been the beneficiary of \$1 million from the government over a five-year period.

Does the Auditor-General recommend a process with regard to what is the value for money and reporting for these sorts of things? I think that was one of the big deficiencies that we saw in previous governments. Certainly in my Department of Health no minister had actually asked for a list of grants that had been given out for 10 years. Is there a process that the Auditor-General recommends with regard to KPIs and value for money for taxpayers around such things as this? If the Premier wants to take it as a policy question, considering that she is funding an organisation to oppose mining in Queensland.

**Ms PALASZCZUK:** I do not know if that question is suited to the Auditor-General, but perhaps myself and the Director-General. My understanding is that the funding for environmental organisations would be either administered through the department of environment or through the Attorney-General's department, and they would have certain standards that they would expect in their contract agreements.

**Mr Greaves:** My observation simply is that the expenditure of public moneys is subject to the Financial Accountability Act and the financial management manual and the regulations that support that, including a grant administration handbook. I look for the criteria that are established through those documents, which are in fact what I would call 'small P' policy documents of the government, and I try to look at whether the grant programs are administered in accordance with those particular pieces of documentation.

**Mr SPRINGBORG:** You would have an application and an approval process, but the acquittal process is the process that you would be a bit more interested in.

**CHAIR:** I think we have to be very careful that we are not asking the Auditor-General for his opinion on government policy. I am not clear on your question.

**Mr SPRINGBORG:** I am trying to understand which part of the process, whether it is application, approval, acquittal or if it is just reporting and no involvement at all. I am happy with wherever the Auditor-General—

**Ms PALASZCZUK:** I have just received advice which says that the last contracts signed between the government and the conservation groups were signed under the LNP.

**Mr SPRINGBORG:** With the Environmental Defenders Organisation?

**Ms PALASZCZUK:** That is my understanding, but we can correct that if that is not right.

**Mr SPRINGBORG:** You may not have this there, Premier, but I understand that Budget Paper No. 4 indicates zero amount in 2014-15, \$200,000 in 2015-16 and then for the subsequent three years, and I think totalling \$1 million over the five-year period, so I assume it takes it beyond the forward estimates into 2019-20.

**Ms PALASZCZUK:** I am sorry, where are you referring to?

**Mr SPRINGBORG:** I am referring you to an extract from Budget Paper No. 4. I do not have the page here, but it does list the EDO. I am very happy to take that on notice.

**CHAIR:** I just want to be clear that we know what the question is. Could the member for Southern Downs clarify his question?

**Ms PALASZCZUK:** I cannot take it on notice unless I have the page number.

**Mr SPRINGBORG:** Can I supply the page number to you, Madam Chair, and then we will go from there.

**CHAIR:** Yes, thank you. Then if you could clarify exactly what the question is?

**Mr SPRINGBORG:** The question is what process was involved with regard to the approval around there and what is expected with regard to the acquittal or meeting KPIs?

**CHAIR:** Thank you. Does the member have another question?

**Mr SPRINGBORG:** Yes, I do.

**Ms PALASZCZUK:** Could I clarify that the expense measure I have here is under JAG for the Attorney-General?

**Mr SPRINGBORG:** Are you happy to take the question?

**Ms PALASZCZUK:** I am clarifying the expense measure. If you can get the exact page number, that would be very helpful.

**Mr SPRINGBORG:** Yes, I will do that.

**CHAIR:** Before the member for Southern Downs continues, I welcome Mr Ian Walker MP, the shadow Attorney-General and shadow minister for justice, industrial relations and arts and the member for Mansfield, who has been given leave by this committee to participate in the hearing today.

**Mr SPRINGBORG:** Can I just clarify something, Madam Chair. I understand that the bracket for this, before we go to arts, concludes at 1.45; is that correct?

**CHAIR:** That is correct.

**Mr SPRINGBORG:** So we have three or four minutes left. My next question relates to page 18 and Public Service long service leave. The reference is Budget Paper No. 2, pages 5 to 6. Information has been provided back that the cost of dipping into accrued contingencies in the Public Service is going to be some \$3.4 billion, of which \$1.85 billion will now have to be found over the next four years from 2015-16 through to the end of 2019.

**Ms PALASZCZUK:** Excuse me, Chair, we cannot really follow what the Leader of the Opposition is saying.

**CHAIR:** I am sorry, member for Southern Downs, I was just conferring with my colleague here and I did not hear your question. Would you mind repeating it?

**Mr SPRINGBORG:** I refer to Budget Paper No. 2.

**Ms PALASZCZUK:** To whom is the question directed?

**Mr SPRINGBORG:** To yourself, because it is more of a policy decision. This relates to the government's plans to dip into Public Service long service leave accrued entitlements of \$3.4 billion. In response to a question on notice which I think will be looked at later, the Treasurer has outlined that it is expected that the cost of meeting the long service leave claims of public servants over the next four years will be \$1.85 billion.

My question to the Premier is: given that the \$3.4 billion that was in the kitty for this is now gone, will the Premier advise what expectations she has about government services that are going to be impacted or cut? Because government departments are going to have to find \$500 million a year from within in order to meet obligations that were funded by accrued contingencies in the past, will the Premier give a guarantee that this is not going to impact on health, education or any other services? If this is the case, how does she expend departments to find \$500 million or thereabouts each year to meet emergent liabilities that were previously funded?

**Ms PALASZCZUK:** In relation to the long service leave issue, there will be no change for employees. We have made that very clear. All long service leave entitlements will be maintained and met when claimed. The long service leave entitlements are guaranteed by legislation, and they will be paid when claimed. I do not know if you really understand—

**Mr SPRINGBORG:** I do understand. At the moment we have a contingency fund—or we did until the budget passed—of \$3.4 billion sitting there so you do not have to drawdown on other departmental reserves or what is in their budgets each year. How does the Premier expect that the \$500 million is going to be funded which was previously funded from the piggy bank? Because the piggy bank is no longer there, it has to be found within the operational funds of the departments. Will the Premier give a guarantee that that is not going to impact upon services?

**Ms PALASZCZUK:** I am advised that all long service leave obligations over the next four years are factored into the budget forward estimates and I am quite sure that the Treasurer will be able to expand on that this afternoon.

**Mr SPRINGBORG:** So what you are saying there then is that \$1.85 billion of the \$3.4 billion that has dissipated has been directly put into additional amounts across the various departments to fund what will be their liabilities for long service leave?

**Ms PALASZCZUK:** The Treasury centrally manage it, so it will be paid as needed and as required. It has been factored into the forward budget estimates. I cannot be any clearer than that.

**Mr SPRINGBORG:** But for it to be paid as required it has to come from a particular source, so has there been a particular factor that has been put into each and every budget—

**Ms PALASZCZUK:** It is part of the appropriations. It is in the consolidated revenue.

**Mr SPRINGBORG:** It is in the consolidated revenue, so you are saying—

**Ms PALASZCZUK:** It is factored into the budget forward estimates.

**Mr SPRINGBORG:**—that \$1.85 billion of the \$3.4 billion has now been specifically reallocated to departments over the next four years in order to be able to meet that contingent liability as it comes up?

**Ms PALASZCZUK:** I think I have answered the question.

**CHAIR:** I think the Premier has answered the question. We will move to government questions now. Premier, I refer to page 4 of the SDS and I ask: did the Lady Cilento Children's Hospital opening deliver outstanding results and value for money for Queenslanders?

**Ms PALASZCZUK:** I thank the chair very much for the question because I noted that the Leader of the Opposition raised the Lady Cilento Children's Hospital earlier and the Leader of the Opposition may be well aware that a review was handed down just recently in relation to the outcomes. Following the hospital's opening in November 2014, concerns were raised about a range of operational aspects including provision of facilities; management services; staffing; training and workforce issues; operation and integration of information communication technology systems, including migration of data; and other systemic issues potentially affecting patient safety. The review was conducted by three independent reviewers and the final report delivered at the end of July. Public submissions were invited and considered as part of the review. The report found very clearly that it was rushed and that the opening of the hospital put patient safety at risk, and the fact that nothing adverse happened was due to the fantastic efforts of the staff. The real heroes here are the staff at the hospital and I want to pay tribute to everything that they have done. But my question for the Leader of the Opposition is this: he was the minister at the time. What oversight did you have in relation to making sure that the hospital was ready for opening? I have heard some comments about—

**Mr SPRINGBORG:** I am very happy to answer that question.

**CHAIR:** With respect, Premier, it is the panel—

**Mr SPRINGBORG:** I am very happy to answer it.

**CHAIR:** It is the panel that asks the questions.

**Ms PALASZCZUK:** This was a very significant opening. It says a lot about the government of the day when all of these issues were being detailed and to me—

**Mr SPRINGBORG:** Why didn't your reviewers contact me? Not once!

**Ms PALASZCZUK:**—it looked like the opening was rushed. I want to pay tribute to the staff, but we will learn from the lessons of this as well when we have to open the Sunshine Coast Hospital in the near future. But once again questions need to be raised with the former government about why indeed it was a rushed opening.

**Mr SPRINGBORG:** Well, why didn't the reviewers contact us once?

**CHAIR:** Could I ask the member for Southern Downs to cease interjecting. You do have an opportunity to ask questions. The Premier was answering a question from me and, if the Premier has finished answering that question, I want to ask another question. Premier, GOMA is one of the state's flagship cultural institutions and a legacy of a former Labor government. I refer to Budget Paper No. 4 at page 59 and ask: what will the government be doing to acknowledge GOMA's 10th anniversary?

**Ms PALASZCZUK:** As we know, the 10th anniversary is coming up and more and more visitors are coming to GOMA. We have Chris here and I know that the gallery has a lot planned for the 10th celebrations and I might just give Chris an opportunity to say a few words. Congratulations on all the work that you are doing at GOMA.

**Mr Saines:** Thank you, Premier. Indeed the gallery does celebrate its 10th anniversary of GOMA on 1 December next year and we are planning a very exciting and diverse range of activities to celebrate and mark that occasion. We are calling it overall Ten for 10. We are planning a suite of 10 different ideas that will rollout to acknowledge different strengths of the GOMA brand, included among them our Children's Art Centre and public programming, our Australian Cinémathèque programming, working with artists to develop newly commissioned works to acknowledge the occasion and also to serve our longstanding commitment to regional outreach. Just to highlight a mere few among the key elements of Ten for 10, the first is a major exhibition which will be collection based and will highlight real favourites among our visitor community with the addition, as I said before, of some newly commissioned works. Some members may be aware of an exhibition we did to mark the fifth anniversary of GOMA called 21st Century, which was an extremely successful project. In many ways the DNA of that project is still contained within this one. We also importantly want to acknowledge and celebrate giving, and to do that we will be focusing in particular on the major contribution made over many years by Mr Tim Fairfax, who is also the President of the gallery's Foundation committee, and we will be unveiling that exhibition over two chapters—one of them in fact beginning in June next year and another one opening in the early part of 2017. Ten of the really major highlights of that show will then tour regionally, which is very consistent with the ethos that the Fairfax Family Foundation has pursued with the gallery for many years.

Finally and importantly, to materially mark the occasion, we are going to be completing the original design vision to the Gallery of Modern Art by putting in place the canopy which was originally designed by Clare Design and Architectus as part of the original build plan. Although it was not ultimately followed through, it is something we feel is a very apt marker of this anniversary. We aim to have that building completed by 1 December next year and also and importantly we are taking the opportunity to integrate an Indigenous artwork into either the fabric of the canopy or the ground plan—the footprint, if you will—of the canopy. It stands just ahead of the building—not physically linked to it—and will be a wonderful welcoming shade and meeting place for visitors. So I think that combination of activities suggests that we are really playing to our strengths and giving the public of Queensland something that will be all about access to the things that are theirs.

**Ms PALASZCZUK:** Thank you very much, Chris. I also add that as part of the 10-year celebrations we will be looking at 10 new Children's Art Centre projects, 10 great gifts celebrating gifts from patrons and supporters, 10 great films from the last decade and 10 GOMA ambassadors from across science, sport, cinema, media and the community. So it is going to be an exciting year and once again I want to thank Chris and all the team at GOMA for the wonderful work that they do.

**Mr CRAWFORD:** Premier, with reference to the Department of the Premier and Cabinet SDS at page 27, what is the government doing to promote film and television production in Queensland?

**Ms PALASZCZUK:** This is of course an area that is close to my heart in that I believe that we have the ability to create a permanent movie industry here in Queensland. Since becoming arts minister I have been encouraged by the interest in Queensland as a production location. I have been encouraged to see a number of national and international companies choose Queensland as their preferred destination for the production of their television series and films. All of these companies are attracted to the state as a result of our world-class infrastructure, beautiful and diverse locations and landscapes as well as our first-rate crew and creative professionals. In April this year I was proud to confirm that Screen Queensland would invest half a million dollars in *Goldstone*, which commenced filming in Winton and Middleton in May, and I was fortunate to meet the director when I was in Winton launching the outback campaign. This film created a significant boost for these local economies, with over \$2 million of production expenditure injected into the state's economy. The producers in fact built an entire township for the production, creating a significant economic spend in construction, hardware, transport businesses as well as expenditure into local accommodation, retail and hospitality providers.

When in the United States in June I had the opportunity firsthand to meet with international production studios in Los Angeles. During these meetings it became clear to me that Queensland's reputation as an international production destination is unparalleled when it comes to locations, crews and infrastructure. A viable screen industry depends as much upon strong local industries as it does on international production. Earlier this month I announced that Queensland had secured a new Channel 7

television series, *Wanted*, which will start shooting in September. The work done by Screen Queensland, which invested about half a million dollars in *Wanted*, has ensured that all of the filming and post production will actually happen in our state of Queensland.

I am also happy to confirm that a new Chinese coproduction will also shoot in Queensland which will begin filming in October at Village Roadshow Studios. The feature film, *Nest 3D*, will spend more than \$10 million in Queensland and will employ approximately 150 crew and shoot across South-East Queensland locations. In addition to the traditional distribution channels for television and feature film, Screen Queensland is also investing in a unique partnership with Stan, which is one of Australia's leading subscription video-on-demand services. This will result in the development and financing of a local \$1 million feature film fully financed by Screen Queensland. I can also say that there are a lot of big studios in LA that are currently looking at Queensland for their productions. I have written to the federal government. Their issue is about some of the tax thresholds. We have the opportunity to create a permanent movie industry. I have spoken about this in preliminary discussions with the arts minister, George Brandis. I believe that there is a great opportunity here, but once again it is something where the state government needs to work with the federal if we are going to attract the big blockbuster movies here to Queensland.

**CHAIR:** Premier, can you advise the committee if the position of chief operating officer in the Department of the Premier and Cabinet had been formally advertised by the previous government? Can you advise of the remuneration provided to Mr Ross Musgrove in his previous role as chief operating officer of the Department of the Premier and Cabinet and Mr Musgrove's academic qualifications relevant to this role?

**Ms PALASZCZUK:** Madam Chair, I think that we have moved on to Arts now, haven't we, so I will not be able to address that question?

**CHAIR:** Yes, certainly.

**Mr CRAWFORD:** I refer to the Department of the Premier and Cabinet SDS at pages 60 through to 85. Premier, can you outline how this budget is supporting the arts in Queensland?

**Ms PALASZCZUK:** It is no secret that the Queensland arts sector had a tough few years under the former government. In fact, a lot of money was actually ripped out of grants funding and the sector was left marginalised. I am pleased that my government's first budget starts the task of righting the damage. In 2015-16 my government will invest \$173 million in the future of arts, working towards restoring funding stripped by the LNP government and protecting the heritage value of our cultural institutions. I am also happy to report that \$5.1 million over the next four years will go to an exciting new program, the Queensland Arts Showcase. The showcase will leverage existing funding to provide an \$11.8 million fund over the next four years to support Queensland artists and art organisations. The showcase is designed to provide development and growth of a vibrant and accessible arts and cultural sector; Queensland arts sector connections with new audiences locally, nationally and internationally; collaborations to develop quality arts and cultural experiences; and creation of employment and training opportunities for Queensland based artists and arts workers.

The coming year will be an exciting time for the arts sector in Queensland and particularly so for the arts statutory bodies. The Queensland Art Gallery will continue to deliver on its vision to be the leading institution for the contemporary art of Australia, Asia and the Pacific. The Queensland Art Gallery and GOMA's flagship program, the Asia Pacific Triennial of Contemporary Art, will open in November this year and of course the Gallery of Modern Art will celebrate its 10th anniversary. Last financial year the Queensland Museum and Sciencentre at South Bank attracted more than 1.4 million visitors, making it the most visited museum in Australia. In 2014-15 QPAC had a record number of patrons, with more than 1.4 million people attending ticketed and free programs. QPAC is celebrating its 30th anniversary this year and I want to pay tribute to all of the staff who work in these outstanding organisations. Recently to celebrate QPAC's 30th anniversary I met with the staff. From memory I think a couple of them had been working there 30 years ago, so it was wonderful to honour them and to pay tribute to their work in the arts industry.

QPAC recorded 85 per cent venue utilisation, up from 82 per cent in the previous year. This represents an additional 49 days where performances took place. This year, QPAC will again be home to a wide array of productions and in November the world's favourite musical, *Les Misérables*, will return to the venue for a third time. I might just ask John Kotzas from QPAC, because I am quite sure that John would like to just add about how QPAC is seen not just nationally but internationally and the progress of how you see QPAC into the future.

**Mr Kotzas:** Thank you, Premier. This year marks the most successful in terms of attendance for the Queensland Performing Arts Centre. If I can just take a moment to identify the highlights. With attendance at 1.4 million, it equates to about 30 per cent of those as being free programs. As the Premier mentioned, we extended our venue utilisation and we also had 49 days of extra attendances. With the two outstanding musicals of the year, the *Lion King* and *Wicked*, we were able to have extraordinary attendances. So we are really up there in terms of Australia.

Going forward, what we see is three major musicals in the next six months. On sale at the moment is *Strictly Ballroom*. We go straight into *Les Miserables* and we have just completed *Anything Goes*. So our attendances for the year are tracking extremely well. As well as that, we have two major signature programs going forward, Clancestry, a Celebration of Country and then our 21st celebration of the Out of the Box festival in June next year.

**CHAIR:** Thank you.

**Ms PALASZCZUK:** Sorry, if I can just clarify an answer that I gave earlier? It is in relation to Michael Caltabiano. His termination was around \$230,000. His annual salary was around \$555,000 as director-general. I am advised that total payments in office from the period of 4 May 2012 to 15 March 2013 was the salary earned plus the salary on special leave plus the termination, which was \$652,000, I am advised.

**CHAIR:** Thank you, Premier. We will go to non-government questions.

**Mr CRANDON:** Thank you, Madam Chair. Premier, the committee has heard this morning that there have been additional staffing resources provided to the two Katter MPs and the member for Nicklin. Can the Premier advise if any additional resources have been extended to the member for Cook?

**Ms PALASZCZUK:** Sorry, whereabouts in the SDS are you referring?

**Mr CRANDON:** I am referring to—

**Ms PALASZCZUK:** You cannot use the phone.

**Mr CRANDON:** I do not have to discover it in the SDS, Premier. It is in the SDS. It was referred to this morning by the Speaker of the House and it relates to funding that is funded through your office.

**Ms PALASZCZUK:** That is a parliamentary matter.

**Mr CRANDON:** That is funded through your office. I can read—

**Ms PALASZCZUK:** No, it is parliament. It is funded through parliament is my advice.

**Mr CRANDON:** Sorry?

**Ms PALASZCZUK:** It is parliament.

**Mr Stewart:** I think you will find that that is funded through the parliament.

**CHAIR:** It is a matter for the—

**Ms PALASZCZUK:** Legislative Assembly SDS. It is not mine.

**Mr CRANDON:** May I read? The delivery of entitlements is managed by Ministerial Services Branch within the Department of the Premier and Cabinet. There are, however, a small number of entitlements determined by the Premier that for reasons of administrative convenience are managed by the parliamentary staff.

**Ms PALASZCZUK:** Excuse me, Chair. Are we allowed to read out questions from phones?

**CHAIR:** I think we can use it to refer to the matters at hand, but I am just going to get advice from the research director about this question with respect—

**Mr CRANDON:** This advice is received from the Clerk of the Parliament.

**CHAIR:** Okay. Can I just discuss this with the research director.

**Ms PALASZCZUK:** But it is being read from a phone, too. I think there was an issue in the past where a minister answered a question from a phone. We do not cover officers of the parliament.

**Mr Stewart:** SDS, page 16, talks about ministerial staff and ministerial offices. So those numbers are very clearly outlined in the SDS and I think we are very happy to answer questions in relation to our SDS.

**Mr CRANDON:** My question is specifically in relation to the member for Cook and offers made by the Premier for additional staffing—made by the Premier for additional staffing—for crossbench members and my question is: are there any additional assets or assets or—

**Ms PALASZCZUK:** Where in the SDS are you referring to? I am happy to answer the question.

**Mr CRANDON:** I am sorry, I do not have to specify where it is in the SDS. I am telling you, I am advising you—

**Ms PALASZCZUK:** Yes, you do. You are a former chair and you used to instruct us. You were a former chair under the—

**Mr CRANDON:** Madam Chair?

**Ms PALASZCZUK:** To refer to the SDS. You ask the chair.

**CHAIR:** Could I just clarify that members are able to ask questions about the Appropriation Bill that we are considering. What I am attempting to clarify is whether your question relates to the Ministerial Services Branch or whether it relates to the parliament. So could I just be clear with the member for Coomera: is it electorate office staff who you are referring to?

**Ms PALASZCZUK:** No, it is both.

**Mr CRANDON:** If we can go back to this morning when the Speaker and the Clerk were here and the Speaker was talking about additional staff that were provided within the parliamentary precinct and he was outlining certain things.

**CHAIR:** To his office?

**Mr CRANDON:** To their offices—to the Katter party members' offices and also—

**CHAIR:** So within the Speaker's jurisdiction?

**Mr CRANDON:** Yes. I have made inquiries of the Clerk of the Parliament, who advises me that in the remuneration handbook, 2.6, other entitlements determined by the Premier, the Premier approves a range of members' entitlements associated with the activities of the executive—example, ministerial entitlements and entitlements of the office of the opposition. The delivery of these entitlements—

**Ms PALASZCZUK:** Chair, if I can say that if there are moneys allocated to any the crossbenchers it will be in the budget of the Speaker, the Legislative Assembly; it will not be in my budget.

**Mr CRANDON:** The delivery of these entitlements—

**Ms PALASZCZUK:** I have answered the question very clearly.

**Mr CRANDON:** Is managed by Ministerial Services Branch within the Department of the Premier and Cabinet. There are, however, a small number of entitlements determined by the Premier that, for reasons of administrative convenience, are managed by the Parliamentary Service. This section outlines these entitlements. Note that in some cases the entitlements may apply only to the given parliament depending on the make-up of that parliament. They are from your department, Premier. They are funded from your department.

**Ms PALASZCZUK:** No—

**Mr CRANDON:** They are funded from your department.

**Ms PALASZCZUK:** I am answering the question. If there are any allocations made to any of the crossbenchers it will be in the Legislative Assembly budget papers.

**Mr CRANDON:** And my question is—if I could put my question again, Madam Chair?

**CHAIR:** You can. However, could I just say—

**Ms PALASZCZUK:** I might ask the director-general to—

**Mr Stewart:** I am happy to take that issue on notice, but I think the Premier has really answered the question.

**CHAIR:** I think she has.

**Mr Stewart:** I have looked here in our SDSes in relation to that—

**Ms PALASZCZUK:** If any money is made available, it is through the Legislative Assembly budget, is my understanding.

**Mr CRANDON:** Just so that you are clear with the question, Premier, this committee heard this morning that there have been additional staffing resources provided to the two Katter MPs and the member for Nicklin. Can the Premier advise if any additional resources have been extended to the member for Cook—from you to the member for Cook? That is the question.

**Ms PALASZCZUK:** From the—

**Mr CRANDON:** And I am happy for you to take it on notice.

**Ms PALASZCZUK:** From the budget of the Premier and Cabinet? The answer is N-O. So no.

**CHAIR:** I think the Premier has answered that question and we should move on.

**Mr CRANDON:** None whatsoever?

**CHAIR:** Is it the member for Mansfield who is asking the next question? Thank you.

**Mr WALKER:** Premier, can I join with you in acknowledging the great reports that appear in the SDS from the arts statutory bodies and particular hearing Mr Saines and Mr Kotzas today and what a tremendous job they are doing and how good it was to be part of that job when we were in government to support them in the tremendous work that is being achieved.

**Ms PALASZCZUK:** And I would like to thank you for your support of the arts community, because I often see you at many events as well.

**Mr WALKER:** Thank you. Can I just ask you specifically about the government's plans for the cultural precinct? I refer you to page 10 of the SDS. There is a note there that there is a commitment given for infrastructure upgrades and a maintenance program for the precinct. I am aware from my previous involvement that that was looming and I understand the commitment that has been made there. But, Premier, there are concerns that we are missing shows as things presently stand. Natalie Bochenski wrote an article recently in the *Brisbane Times* pointing out the lack of theatre space. The cultural precinct plan, which we had underway, looked at a new 1,500-seat theatre and at more than doubling the size of the museum, which is grossly underdone for a city of our size. I do not see anything in the budget in respect of the progression of a cultural precinct plan or actual money to fund that progression and I am interested to know your views on that.

**Ms PALASZCZUK:** Yes. Thank you very much. Like I said, I would like to thank you for your support. As I said, you are at many arts events and thank you very much for your question. In relation to page 10 of the SDS, we have committed \$28 million over four years to capital works at the cultural precinct. This was considered to be quite urgent. So I have to take the advice that is coming to me and, therefore, that funding will be used for electrical safety renewal involving the installation of residual current devices on power and lighting circuits; improved patron accessibility and movement to meet modern standards, which I think you would agree with me is also very necessary; modernise and renew lifts and escalators; renew the central energy plant electrical generation and make sure that there are emergency backups across the precinct. They also need new storage solutions for collections within the Queensland Museum and Queensland Art Gallery and are also looking at fabric renewal to ceilings, roofs and amenities. So I think you will see that we have made a commitment there to making sure that the cultural precinct is updated.

I will refer to the director-general in a minute, because we have had discussions about this. We know that there are a lot of organisations out there that are doing really well. For example, the Queensland Ballet are having record shows at the moment and they are looking for a new home. Our issue now is that the cultural centre precinct has been listed on the heritage register. So now we are in discussions with architects, with the organisations that are involved about how you create a master plan out there that sits within that heritage register. It is very complex. It is something that we are paying due consideration to and I know the director-general has had some preliminary meetings. So I might hand over to Mr Dave Stewart to expand.

**Mr Stewart:** Thanks, Mr Walker. I think the Premier has really highlighted this issue. One of the key things we need to do as part of revitalising the master plan is do the conservation management work. The heritage listing certainly has now provided us with that opportunity to really look at the long term but in the context of a very clear conservation management plan. The conservation management plan will really provide us with a framework to understand and manage the heritage aspects of the precinct and certainly guide us for future infrastructure planning.

I think you would be aware with the Anzac that there are a whole pile of plans for different parts of the precinct and we really need to work collectively. But I think the first thing we need to do is really understand the implications of the conservation management plan and how we can plan for future theatre growth. The Premier is right: we are talking to a lot of agencies at the moment—a lot of the performing arts groups—because there is a requirement for new theatre space but we have to get the building blocks right at the beginning. But I think we can manage those aspirations. The Premier is right: we are engaging very much with the key stakeholders.

**Mr WALKER:** Premier, one of the things that concerns me is that it seems to me that the heritage listing is being used as a bit of an excuse to slow things down or not do anything.

**Ms PALASZCZUK:** No, not at all.

**Mr WALKER:** And if I could just finish my question. It is not a surprise that the listing came forward. The former government supported the listing, you might recall.

**Ms PALASZCZUK:** Yes.

**Mr WALKER:** Because it stood out like the proverbial that it was something that deserved to be listed. It is a place that should be kept forever as the centre of Queensland's cultural activity. That to me was the main thrust of that. But we are now in a pressure situation where we are short a theatre particularly, where we are missing plays and performances. There has been mention of a theatre being part of the Echo proposal. I would like to know from you whether that at least is able to proceed in the meantime and what the status of that is and whether that theatre is committed to go to the cultural precinct or elsewhere?

**Ms PALASZCZUK:** I think you would appreciate that the cultural heritage listing does mean that government now needs to go through a process. That has only recently happened and we are in discussions about how we can proceed whilst at the same time maintaining the cultural integrity of that listing. So we are conscious of that and, as the director-general said, we are working towards that.

In relation to the prospect of a theatre as part of the Echo, Queen's Wharf is still subject to financial close. So until that financial close, I cannot talk any more about those details, as you could appreciate.

**Mr WALKER:** There was, in fact, a press report that a theatre was included and there then seemed to be no follow-up on that. Can you at least confirm that a theatre is included somewhere in the project?

**Ms PALASZCZUK:** I cannot discuss those commercial issues at the moment. I have probity advice that I cannot do that. I would love to disclose more at this stage, but until financial close—

**Mr WALKER:** If a theatre were to be included in the project, is it the government's view that it should be at South Bank?

**Mr Stewart:** We are not trying to pre-empt the outcomes of the commercial and contractual negotiations we are having. I think until those are concluded—I think the Premier has been very clear that we have got pretty clear probity advice.

**Mr WALKER:** At the moment, as things stand today, in respect of the cultural precinct plan there is no finalised plan and there is no commitment to money to progress a plan, is that the situation?

**Ms PALASZCZUK:** We have just put \$28 million over four years to capital works.

**Mr WALKER:** That is maintenance money. There is no issue with that.

**CHAIR:** If we could allow the Premier to answer the question.

**Ms PALASZCZUK:** I just find it a bit odd that you would be criticising funding to arts when we saw slashing of arts funding under your government. I said to you we recognise the need. If you want to work with us in terms of progressing that, we are more than happy to have you involved.

**CHAIR:** It is time for government member questions now. If I could go to the member for Stretton, please.

**Mr PEGG:** Thank you, Chair. My question is to the Premier. With reference to page 23 of the Department of the Premier and Cabinet SDS and the budget for Arts Queensland, will the Premier explain how the government is supporting Queensland authors and publishers?

**Ms PALASZCZUK:** Thank you very much, member for Stretton. Three years ago one of the first acts of the former government was to cut funding to the Queensland Premier's Literary Awards. I think everyone well remembers that quite clearly. The public reaction to the axing was also the first sign of how Queenslanders would respond to arts cuts in this state. The community refused to allow Queensland voices to be silenced. My government is committed to supporting the Queensland writing and publishing sector to ensure Queensland stories are told.

In May this year I was pleased to announce that my government would provide funding of up to \$175,000 to support the Queensland Literary Awards. They are not going to be called the Premier's Literary Awards. There is an organisation that has been set up and we will provide the funding to that organisation. The funding includes up to \$125,000 to match cash sponsor and donor funding; \$25,000 to fund a new Queensland Premier's award for a work of state significance; and \$25,000 for two new youth awards, Queensland Premier's young publishers and writers awards. This brings the total Queensland Literary Awards potential prize pool up to a maximum of \$300,000 and secures the awards for the foreseeable future.

In March this year I was pleased to attend the Matilda Awards—I think the member for Mansfield was there as well; it was a very exciting night celebrating Brisbane's theatre community—and to announce that my government would reinstate funding. The government is also supporting authors and publishers by providing funding through Arts Queensland grant programs. Through the Organisation Fund the government is providing \$905,000 for the Brisbane Writers Festival; just over \$1 million for the Queensland Writers Centre; and \$271,000 for the University of Queensland Press; \$108,000 was provided through the Individuals Fund and Projects and Programs Fund for literary awards in 2014-15. In 2015-16 Arts Queensland will also fund three Queensland writers fellowships up to \$20,000 each—that is, \$15,000 cash plus professional development activities. The Queensland Poetry Festival will kick off next Friday and I am pleased to say that the government is providing \$105,000 over three years to host the poetry awards and the poet-in-residence initiatives and \$55,000 through the Projects and Programs Fund for the 2015 festival. It is clear that Queensland writers have a distinct voice which should be supported and my government is always willing to listen.

**CHAIR:** I call the member for Stretton again.

**Mr PEGG:** I have another question for the Premier. With reference to the Department of the Premier and Cabinet SDS page 69, will the Premier detail the efforts of the Queensland Museum to promote science education?

**Ms PALASZCZUK:** Thank you very much for the question. One of the major initiatives of my government's first budget is the Advance Queensland strategy to promote innovation and technology across the state. If we want to truly diversify our economy and make sure we are ready for the challenges of the future we need to make sure that our people have the skills and education necessary to do so, particularly in science and maths. The Queensland Museum is playing its role through a range of events and activities available for schools as well as broader community engagement in science and innovation. In fact, Brisbane will become only the second city in the world to host the World Science Festival when it heads to Queensland in March next year in an exclusive six-year agreement.

The World Science Festival is an annual week-long celebration that creates a fusion of science and art and it has previously only been held in New York. I have Suzanne here from the Queensland Museum. Congratulations on securing the World Science Festival. I was hoping that you could talk to the committee a little bit about your vision of how important this science festival is to our great state.

**Ms Miller:** Thank you, Premier. Thank you for the question. The Queensland Museum is very committed to developing an annual program of events which really has the ultimate goal of bringing science, technology, engineering and maths, through a very diverse range of experiences, to all Queenslanders and to develop a lifelong passion for science. As part of that, the World Science Festival forms a real signature event for us. We are very delighted to have secured the only venue outside New York. New York and Brisbane are now up there in lights together. The festival, as the Premier said, will bring some of the biggest names in science, the biggest stars of science, to present the beauty, complexity and wonder of science to Queensland audiences through a range of performances, art activities, street events, a whole range of multidisciplinary interactives, interactive experiments, on South Bank through to regional activity. The festival will celebrate the intersection of art and science through debate, original performance, theatrical works, some intimate gatherings and some large-scale public events. There will be regional programming as well.

The World Science Festival really forms our signature event of the year, but it does overarching for our main science programming across the year which also involves, right now, in the middle of National Science Week, and programming through our regional campuses, together with obviously our science centre and science shows that we are delivering, permanent science gallery renewal, which we hope will bring more Queensland science to all Queenslanders celebrating the extraordinary achievements of researchers from both the museum and the universities with which we collaborate, together with new regional science hubs that will be delivering through our regional campuses. Overarching we also have a STEM—science, technology, engineering and maths—program which is partially funded by Queensland Gas Corporation, QGC, and together working with the Department of Education, delivering new STEM initiatives into all Queensland schools, developing new professional development for our science teachers across Queensland and developing major public exhibitions that will come from international venues to celebrate the world's greatest scientific achievements in engineering, maths and discovery. Our educational loan system, which currently delivers to more than three quarters of a million Queensland school students, will be developing new STEM curriculum resources to ensure that the very best and brightest of our young people have access to science and develop that passion for science.

**CHAIR:** Thank you. I call the member for Barron River.

**Mr CRAWFORD:** Referring to SDS page 60, the arts is valued by cities, towns and regions. As one of the most regionalised states in Australia, what is the government doing to ensure that the arts is experienced across the state?

**Ms PALASZCZUK:** Thank you very much, member for Barron River. We need to make sure that the arts is not just for South-East Queensland, that it is experienced right across the length and breadth of our state. These experiences can come in a range of forms, including regional tours by major performing arts companies, funding for local councils to invest in their local artists and help for Indigenous art centres to ensure the delivery of authentic work. Just a couple of weeks ago I was up in Cairns for the Indigenous Art Fair, which was absolutely spectacular. There were just so many great artworks from across the Cape and Torres Strait. It was good to see so many people who were looking at purchasing those artworks from overseas and across Australia. I am sure that that arts exhibition will continue to grow from strength to strength. One of the single largest commitments to regional delivery is the state government's partnership with local councils through the RADF, the Regional Arts Development Fund. By working in partnership with local councils we are able to ensure that what is being delivered on the ground throughout regional Queensland truly meets the needs of the local population. I am pleased to report that this year the government has allocated almost \$130,000 in additional funding to this program. This takes our combined contribution to over \$2 million in 2015-16 compared with the former government's allocation of \$1.95 million the previous year. That means approximately \$1.8 million from local councils. It means an anticipated total of \$3.9 million for arts projects across the state. Fifty-nine local government areas will benefit. This year also sees a revamped RADF program developed in consultation with local councils offering more flexibility, new criteria for funding and increased community participation.

I also anticipate that the new Queensland Arts Showcase Program will extend arts experiences across the state, particularly through the Arts Illuminate stream. This stream is designed to assist art organisations to attract national and international artists. The stream is designed to address a flaw in the former government's Super Star Fund which disproportionately favoured Brisbane based organisations. Of all of the projects funded through the Super Star Fund only one event took place, I am advised, outside of Brisbane. The biennial Queensland Music Festival, which receives \$1.6 million per year, took place in July and August. The festival offered 1,000 performances and workshops statewide attracting a total of 125,000 people. It delivered performances across 26 regions including communities as far west as Birdsville to Burketown, Aurukun in the north and Palm Island. These programs are all examples of my government's commitment to providing arts experiences across the state.

**CHAIR:** I ask the member for Barron River if he would like to ask another question.

**Mr CRAWFORD:** Thank you, Chair. The small to medium sector is a driver of innovation and the arts. I refer to Budget Paper No. 4 page 59 and ask: what has the government done to restore funding to the small to medium sector?

**Ms PALASZCZUK:** I thank the member very much for the question. The small to medium sector is in many ways the heart and soul of our cultural scene, but unfortunately the sector has had very little to celebrate over the last three years. Small to medium arts organisations have borne the brunt of some of the funding decisions of the former government. The \$12.4 million cuts to arts grants funding imposed by the former government impacted small to medium organisations. Last year 35 not-for-profit small to medium organisations across Queensland were forced to sign triennial funding agreements which cut their funding, I am advised, by 10 per cent this year and by another 10 per cent next year. Many small to medium organisations are struggling to make ends meet and have now been hit with the decision by the federal arts minister George Brandis to cut funding to the Australia Council. The Australia Council's funding has been reduced by \$105 million and instead moved into a poorly defined national program for excellence in the arts that appears to be under the control of the minister himself. I think there is a lot of concern out there about that particular move.

Small to medium arts organisations can rest assured that we will always do our utmost to support them. I am pleased to announce in this budget we have included a new allocation of \$5.1 million, as I mentioned before, for the Queensland Arts Showcase which will directly benefit small to medium organisations.

**CHAIR:** I call the member for Stretton.

**Mr PEGG:** Thank you, Chair. I have a question for the Premier. Stimulating and rewarding creativity are key ways that the government can support our arts sector. I refer to the Department of the Premier and Cabinet SDS page 60 and ask: how will the government ensure that Queensland is a place where emerging artists are rewarded and acknowledged?

**Ms PALASZCZUK:** I thank the member very much for the question. Our government is committed to investing in young and emerging Queensland artists. This month we announced increased funding for the Queensland Premier's Drama Award, the only playwriting award in the country that guarantees the winner a professional production within two years. We increased the award funding by \$40,000 to \$307,000 to ensure the Queensland Theatre Company can continue to stage the winning entry. This award has quite a legacy. It has resulted in seven major new plays and the employment of 25 writers, 141 actors and 16 directors. Several winners have gone on to establish careers in the performing arts. However, that may not have happened without this support. Most major theatre companies are unable to accept unsolicited scripts, so the Queensland Premier's Drama Award is one of the few opportunities for new writers. In other programs for young artists, the new Queensland Arts Showcase Program has a specific funding stream for new and emerging talent. We have two new youth awards, the Queensland premier's young publishers and writers awards, worth \$12,500 each. Arts Queensland also funds training and skill development for emerging artists through individual grants, projects and program grants and organisation funds. Later this month, we will announce the recipients of the \$40,000 Fresh Ground Residency program for emerging producers at the Judith Wright Centre of Contemporary Arts. There is also the Grant McLellan Fellowship of \$25,000 for young songwriters and three Queensland writers fellowships, as I mentioned earlier, of up to \$20,000 each. As you can see, the future for art in this state is incredibly bright.

**CHAIR:** Thank you very much, Premier. The time allotted for the consideration of the proposed expenditure for the areas of responsibility administered by the Premier and Minister for Arts has now expired. On behalf of the committee, I thank the Premier and departmental officers for their cooperation. The committee has resolved that answers to any questions taken on notice or additional information provided at the hearing must be provided to the committee secretariat by 3 pm on Thursday 20 August 2015. The non-government members have clarified the question that was asked by the member for Southern Downs about the Environmental Defenders Office funding. The reference is page 4 of the SDS, under DPC's priorities for 2015-16, at the third dot point.

The committee has concluded its examination of the matters relating to the Premier and related entities referred to it by the parliament. The committee will resume the examination of the proposed expenditure for the areas of responsibility administered by the Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships at 2.45 pm.

**Ms PALASZCZUK:** Chair, I thank yourself, members of the committee government and opposition, my director-general, my chief of staff, all of the department staff and my ministerial staff for their efforts. Preparing for an estimates process takes a lengthy amount of time. We appreciate the scrutiny that we were given today. We believe the estimates process is fundamental to integrity and accountability of government. I thank everyone for the way in which the estimates hearing was handled today. It was very professional. Thank you.

**CHAIR:** Thank you, Premier.

**Proceedings suspended from 2.32 pm to 2.45 pm**

**ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—TREASURY,  
ABORIGINAL AND TORRES STRAIT ISLANDER AND MULTICULTURAL  
AFFAIRS AND EMPLOYMENT AND INDUSTRIAL RELATIONS**

**In Attendance**

Hon. CW Pitt, Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships

Mr J Humphreys, Chief of Staff, Office of the Treasurer

**Queensland Treasury**

Mr J Murphy, Under Treasurer, Office of the Under Treasurer

Mr J O'Connell, Acting Deputy Under Treasurer, Fiscal Group

Mr D Molloy, Acting Deputy Under Treasurer, Fiscal Strategy

Mr W Cannon, State Actuary

**Department of Aboriginal and Torres Strait Islander Partnerships**

Ms C O'Connor, Director-General

**Office of Industrial Relations**

Dr S Blackwood, Deputy Director-General

 **CHAIR:** Good afternoon. The estimates hearing for the Finance and Administration Committee is now resumed. On behalf of the committee, I welcome the Treasurer, departmental officers and members of the public. I am Di Farmer, the member for Bulimba and chair of the committee. Joining me on the committee are Mr Michael Crandon, our deputy chair and the member for Coomera; Miss Verity Barton, the member for Broadwater; Mr Craig Crawford, the member for Barron River; Mr Duncan Pegg, the member for Stretton; and Mr Pat Weir, the member for Condamine. The committee has given leave for other members to participate in the hearing today. I welcome for this session Mr John-Paul Langbroek MP, deputy opposition leader, shadow treasurer and the member for Surfers Paradise.

The committee will now examine the Appropriation Bill 2015 and the estimates for the areas of responsibility administered by the Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships. The committee will consider the estimates of the portfolio until 7.15 pm. The committee will suspend proceedings for the following breaks: at 4.15 pm resuming at 4.30 pm and at 6 pm resuming at 6.15 pm.

The proceedings today are lawful proceedings and are subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208. In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules. The committee's hearing is being broadcast live via the Parliamentary Services website and to receivers throughout the parliamentary precinct. Before we begin, I ask that all mobile phones be either switched off or turned to silent mode and I remind you that no calls are to be taken inside the hearing room. For the benefit of Hansard, I ask advisers, if you are called to give an answer, please state your name before speaking.

I now declare the proposed expenditure for the areas of responsibility administered by the Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Treasurer, the committee has resolved that you may make an opening statement of no more than five minutes. Do you wish to do so?

**Mr PITT:** Yes I do, Madam Chair. Firstly, I acknowledge that we meet on the land of Aboriginal people and pay my respects to elders, past and present. In this country we are very fortunate to have two of the world's oldest continuing living cultures in Aboriginal and Torres Strait Islander people. I am certainly looking forward to the interactions with the committee this afternoon. Today I have with me

Mr Jim Murphy, the Under Treasurer; of course, later in the hearing we will have Dr Simon Blackwood, the Deputy Director-General of the Office of Industrial Relations; Clare O'Connor, the Director-General of the Department of Aboriginal and Torres Strait Islander Partnerships; other senior executives of the departments and, of course, CEOs of our government owned corporations and the Queensland Treasury Corporation, the QIC.

As the Treasurer in the Palaszczuk government, my first major task was delivering on a budget that restored confidence and delivered economic opportunities for Queenslanders. The first budget of the Palaszczuk government has been well received by employees, employer groups, industry, community organisations, economists and the broader public. Job creation is the Palaszczuk government's No. 1 priority. More Queenslanders in work means a more prosperous and inclusive future for all. That is why our first budget is unashamedly a jobs budget. It is about jobs now and it is about jobs for the future. Through our \$1.6 billion Working Queensland program, we will help to create the conditions for growing jobs and the new businesses of the future.

Consistent with our approach to responsibly manage the state's finances, the Palaszczuk government's first budget delivers on all of the commitments that we made at the election. As promised, we have more than offset that spending. On final analysis, our election commitments have been estimated by Treasury to cost \$1.97 billion over the next four years. Through offsets and reprioritisations, funding of \$2.31 billion was identified, providing a net fiscal improvement of \$340 million. I am proud to advise that for 2015-16 we are forecasting a surplus of \$1.2 billion, with combined surpluses over the next four years of \$6.9 billion. This has been achieved without redundancies, forced or voluntary, and through sensible measures that do not include selling our assets. Economic growth is forecast to improve from two per cent in 2014-15 to 4½ per cent in both 2015-16 and 2016-17. As a testament to the Queensland's economy enduring strength, this is a stronger growth rate than any other state in the country.

As the Minister for Aboriginal and Torres Strait Islander Partnerships, I am committed to supporting Aboriginal and Torres Strait Islander people to fully participate in Queensland's vibrant economic, social and cultural life. We want genuine consultation. I have deliberately put the 'P' back into DATSIP to emphasise that partnerships are essential to how we do business. I will be working to deliver the key priorities of the Palaszczuk government's commitments to Indigenous Queenslanders across our great state. These priorities include establishing a fund of up to \$21 million to address the stolen wages issue, a longstanding harm caused by the politics of control. This year's budget included funding of \$28.6 million over four years for a welfare reform initiative to support the work of the Families Responsibilities Commission. Another important government commitment is the continued support and assistance to discrete communities in the management of alcohol within those communities. I will be a minister that consults with the communities, rather than talking at them. For example, in May this year I convened a ministerial round table with leaders of Aboriginal shire councils, Torres Strait Islander based councils and the Local Government Association of Queensland on Palm Island. I intend to continue delivering on my priorities with the help of the department.

On the Industrial Relations side of the portfolio, I am proud to be delivering on the Palaszczuk government's commitments that we took to the election. We have successfully passed the Industrial Relations (Restoring Fairness) and Other Legislation Amendment Bill 2015, which abolished those aspects of the LNP's industrial relations system that, if they had been allowed to continue, would have irrevocably damaged the state's IR system and undermined government's commitment to restoring fairness to government workers. Currently, I have three bills in this area before the parliament. Certainly I do not wish to speak to those bills specifically, but they include the Work Health and Safety and Other Legislation Amendment Bill, the Workers' Compensation and Rehabilitation and Other Legislation Amendment Bill 2015 and the Holidays and Other Legislation Amendment Bill. In addition to all of those important restorative steps, the Palaszczuk government has an eye to the future with the forthcoming review of the state's industrial relations laws and tribunals, which will take place in the second half of this year. It is a key priority of our government to provide certainty and stability for public sector employees after three tumultuous years, just as it is a key priority for our government to provide to business as much certainty as possible to ensure our great state can go forward. Thank you very much.

**CHAIR:** Thank you, Treasurer. I go to non-government questions. I call the member for Surfers Paradise.

**Mr LANGBROEK:** Thank you. I welcome officials from Treasury and thank them for their attendance at today's committee hearing. I thank the committee for having me as a guest. Treasurer, my first bank of questions comes from answers to questions on notice. The first question relates to the response to question on notice No. 3. It is something that the Leader of the Opposition took up with the

Premier at the end of his session. It is about the liability of public long service leave over the next four years being \$1.847 billion. Can you explain, given that \$3.4 billion has been taken out, where that money is going to come from, from individual departments?

**Mr PITT:** I thank the honourable member for the question. Firstly, I would say that there has been somewhat of a misconception in the question that was asked of the Premier by the Leader of the Opposition earlier today. There is a suggestion that the \$3.4 billion that was in that fund was the principle source of funding long service leave when, in fact, that is not the case. Since 1999 we have seen an arrangement where the Queensland Treasury has had a levy arrangement with agencies. Those agencies, of course, are levied by the Treasury. They pay into a central scheme within the Consolidated Fund. Of course, as public servants take their long service leave, they are paid out at the time that they take that leave and then after that there is, of course, a request for reimbursement from the Consolidated Fund. Therefore, the answer to that question on notice spells out what the longer term arrangements are going to be and the forecasts of long service leave to be taken over the period 2015-16 to 2018-19, which is approximately \$1.847 billion. The Premier's answer earlier today was absolutely correct, that all of those long service forecasts are built in to the forward estimates. The Consolidated Fund is where those funds will be drawn from and, of course, they are factored into all of the numbers in this budget. There is not going to be any suggestion of other services that we will not see as a result. We are not looking to find an additional \$1.847 billion over the forward estimates. We are seeing a continuation of the way that long service leave has been operating in this state since 1999 in terms of those agencies seeking reimbursement from the Consolidated Fund. Of course, it means that this is absolutely the standard practice in terms of having this approach taken across other jurisdictions, as well. Without having that additional cash investment, if you like, we are now on an absolute level pegging with other every state or territory in terms of long service leave. There is nothing unusual about that practice.

**Mr LANGBROEK:** My next question is to ask for more detail about that. You are saying that there will be no programs sacrificed and no staff will be necessarily let go as a result of an accumulative amount of nearly \$500 million a year that has to be found to finance this \$1.847 billion? I want some clarification about the fact that departments have been putting 2.1 per cent into this fund and the fund is now taken down to zero, but I presume that \$1.847 billion is going to be put aside or in the Consolidated Fund. Can you give some more details, please?

**Mr PITT:** Again, it is important to note that there have always been provisions within the Consolidated Fund to pay long service leave. The fund that you refer to, of course—in the budget papers, the \$3.4 billion cash investment—is not the principal source of long service leave. It is an investment by government. There is a program at the moment where we have significantly higher levels than historical debt and it is viewed, and as recommended by the review of state finances, that it is not worth having that investment in place at a time when you could use those funds to significantly reduce general government sector debt and, of course, at the same time, have a reduced interest bill as part of the process. No-one is going to be sacked and there are no redundancies, forced or voluntary, related to this.

There is a misnomer that this is \$1.875 billion or \$500 million a year that needs to be found. That money does not need to be found. In fact, it is built into the forward estimates, as the Premier answered earlier today and as I am answering you now. It is important to note that, of course, this is a process that has been operating essentially in exactly the same way since 1999. We have a cash investment that is now being deemed to be better serving government in terms of our overall balance sheet reforms, to be better serving paying down general government sector debt and reducing our interest bill, cumulatively over four years, of \$1.35 billion. That is money that can be put into other things, including additional capital, more services, frontline and otherwise. It is a very important measure that we have taken in this budget. It is a concept that has been provided, I think on a few occasions, to previous governments and one that we obviously took very seriously. We can see that it is a good and sound decision by this government.

**Mr LANGBROEK:** Thank you, Treasurer. Can I get confirmation that we are going from leading the pack, the rest the country? We had done this and no other states had done it, but now we are going back to the pack and you are saying that it is commendable that we should be raiding a piggy bank that we have had since 1999? I put it to you that it is abandoning our fiscal principles, which I see you have watered down as well. However, it is more about the concerns that—

**Mr PITT:** I think the member is making some inferences in his statement or question; I am not sure which it is. We are not raiding a piggy bank of any kind. Of course, this is a government investment that we have decided will be better utilised paying down general government debt. Over the last three

years under the previous government, I heard ad nauseam about the importance of reducing the debt that a government is liable for and clearly that is what we are doing. In this budget, we are doing what the previous government could not do, which is reduce debt significantly. We have done that to the tune of \$7.5 billion in 2015-16 and, of course, over the forward estimates it is estimated that we will reduce general government sector debt by \$9.6 billion. We have taken the task very seriously. We are achieving something the previous government could not.

**Mr LANGBROEK:** It does lower our contingent liability, though, does it, if you have \$3.4 billion taken from that fund and now \$1.847 billion that still has to be found over the next four years?

**Mr PITT:** What the member is trying to infer again—

**Mr LANGBROEK:** No, I am just asking. I am not inferring.

**CHAIR:** Could the member allow the Treasurer to answer the question, please.

**Mr PITT:** I think what the member is inferring—and I said that this is a misnomer—is that this cash investment is funding our long service leave provisions. It is not. It is the levy process that has principally been doing that since 1999. Once agencies have paid out the public servant who is looking to take long service leave they seek reimbursement from the Consolidated Fund. That is the answer I have provided you on three occasions now. That is the process, by and large, under which long service leave has been operating since 1999.

We are not needing to find an additional \$500 million. I think the member must be aware, as the shadow treasurer, that when we are reducing our overall interest bill there are additional moneys that come from that process as well. All of those matters have been factored into the budget in terms of what we have presented over the forward estimates.

We are not seeking to cut, sack or sell anything to meet our long service leave requirements. They have been factored into this budget. Of course, very importantly—and as the Premier alluded to earlier—we have a legislative responsibility to pay long service leave requirements. We will continue to do that, as we always have.

**CHAIR:** I think the Treasurer has answered this question. Could you move on to a new set of questions?

**Mr LANGBROEK:** Will there be an ongoing cost to the budget beyond the forward estimates, given the explanation you have just given us.

**Mr PITT:** I think if the member is asking whether there will continue to be long service leave taken in Queensland, the answer is yes. Will the Treasury responsibly factor in the anticipated long service leave requirements of public servants going forward? Yes, it will, just like has been done in the budget across the forward estimates.

This is something we take very seriously. I have to say that I refute absolutely any suggestion that there is a raiding of anything happening here. I think all this is doing is throwing doubt into the minds of public servants and government workers. They deserve better than that.

**Mr LANGBROEK:** Given that it has never been done before—

**CHAIR:** Member for Surfers Paradise, I think we have explored this issue and the Treasurer has answered your questions in a number of ways. Could I ask you to move onto a new question, please?

**Mr LANGBROEK:** I will move on to the answer to question on notice No. 4 which asks about Labor Party modelling and also Treasury modelling with regard to \$150 million in savings through the electricity GOC merger. That has not been provided. The Treasury modelling has not been released. I would ask if you could give us some more information about the Labor Party modelling and the Treasury modelling?

**Mr PITT:** I thank the honourable member for the question. In terms of the modelling provided before the election, I point out that that modelling was done by Orion Consulting Network which has previous experience in water utilities and mergers and expected savings that could be gained from that. That modelling was done from outside of government.

Of course, the first thing that is done when a party takes office is that it provides its costings and materials for consideration by Treasury. Now that we are in government, we have asked Treasury what is achievable. Treasury has confirmed from their preliminary work that \$150 million a year in savings is absolutely achievable under our planned merger process.

What will be different will be which businesses are merged with which other businesses. The figures may change. Whilst we are still going through all of that work on the merger process, it is very difficult to provide any specific figures or additional modelling until we have settled on which entities will

be merged with others. You would be asking us to undertake a lot more additional work until we have answered the original question. The original question is still that we are merging these entities to have them operate more effectively and more efficiently to ensure that in the long run they are businesses that will continue to return to the people of Queensland.

We are dealing with these entities because we want to ensure that, given that we fought hard to retain them in public ownership, which they will be, they are run more effectively and efficiently and they work harder for Queenslanders. In answering your question, the combination of those businesses is very important.

We do not intend to release pre-emptively any of that modelling until we have some certainty about which entities may be merged with others. That also goes to the heart of not releasing too much of that work ahead of time which could cause some undue concern to people within the workforces of those businesses, not because of any forced redundancies, because we have been very clear about our position on that, but to ensure that there is no suggestion that entity A will be merging with entity B when in fact that may not be what eventuates.

It is very important that we do this process in a measured and sound way. That is the work that Treasury is undertaking. As we indicated on budget day and also in answer to your question on notice, we will be providing an update at the midyear review. At that time we will be able to outline very clearly what the anticipated savings will be on an annual basis through the merger process.

**Mr LANGBROEK:** It sounds to me from what you have just said that what you presented to Queenslanders at the election you are not prepared to release. I have a RTI document where Mary-Anne Curtis, the Acting Deputy Under Treasurer, is being asked for a copy of the information about the break downs and assumptions that you took to the election. I am happy to table that, if you so wish. Now you are saying that you are not prepared to provide any of that detail—the Treasury modelling or the Labor Party pre-election material—for the benefit of Queenslanders. The savings are not in the budget and they are supposedly meant to be there to the tune \$82½ million this year.

**Mr PITT:** I am glad you raised the last point in your question or statement, member for Surfers Paradise. The savings are not in the budget. We have never purported that they are in the budget. We have very clearly said—

**Mr LANGBROEK:** They were in your pre-election document, Treasurer.

**Mr PITT:** We anticipated before the election that we could potentially save \$150 million a year with a merger process. That is what we went to the Queensland people and told them. That is exactly what Treasury has confirmed. It would be irresponsible and completely improper to have savings factored into the budget of entities that have not yet been merged. I am not sure if that is the way you would approach it. It is very clearly impossible to have savings built into the budget already.

It is important to note that the reason the mergers were a part of our pre-election debt action approach was all about the end game. The end game was about reducing general government sector debt. General government sector debt reduction had been a focus of mine, as shadow treasurer, during the last three years in opposition. We were certainly very aware of the importance of focussing on general government sector debt because it is the kind of debt that government has the most ability to control, whether increased or decreased. It is important that we have the ability to pay down that debt. That is what the merger process was about. It was that plus the retention of those assets in public hands to ensure we can pay down debt.

Our approach prior to the election was to pay down \$5.4 billion of general government sector debt over six years and \$12 billion of general government sector debt over 10 years. What we have done in this first budget is in 2015-16 reduce debt by \$7.5 billion. That more than meets the \$400 million expected general government debt pay down over the first term. We have more than met that election commitment. What that does is ensure that we can focus very clearly on the merged entities, what they will look like and what the merger process will afford those businesses going forward. That is the responsible thing to do.

We feel very comfortable with the fact that we have more than met our commitment to Queenslanders in terms of that debt reduction. That was the reason for the process. It is impossible to have the savings in anyway presented in the budget if those entities have not been merged. It is a process that should not be rushed. We have clearly put a time frame in place to ensure that that commitment is met and delivered by the midyear review. That is still our hope. That is what we want to be able to update Queenslanders on at the end of this year.

**CHAIR:** We will go to government member questions.

**Mr CRAWFORD:** I refer to page 91 of Budget Paper No. 4. Treasurer, can you outline what benefit taxpayers received from the \$43.6 million spent in 2014-15 on the preparation and due diligence of asset transactions as well as other funds committed as part of the Strong Choices campaign?

**Mr PITT:** Thank you to the member for Barron River for his question. In the final consolidation of the 2014-15 financial year, undertaken as part of the 2015 budget process, the government had to factor in \$43.6 million into the 2014-15 final budget outcomes in order to reimburse Queensland Treasury Corporation for expenses incurred in preparing assets for sale. This is not spending that was disclosed to the people of Queensland and if the LNP had been re-elected we may never have known how much money was being spent on asset sales before the election.

There is spending in relation to planned asset sales that would cost Queenslanders in the short, medium and long term. The former government did not even provide any funding to QTC to facilitate their planned asset sales and demanded that any costs would be met from transaction proceeds. In terms of managing the finances, I do not think this is something that the previous treasurer would be providing an up-front answer on.

The \$43.6 million that we have had to factor into the budget is in addition to the \$20 million which had been put into the public domain around advertising and spending on Strong Choices. That included the bombarding of our television screens with advertising in late 2014. Without any mandate whatsoever, \$70 million was spent on preparing assets for sale and the Strong Choices campaign.

This is money that could have been spent on hospitals, on schools, on roads and on unemployment programs. The money that those opposite wasted could have paid for the entire \$70 million Regional Capital Fund as part of our Building our Regions program. That is the sort of money we are talking about. It is money that could have made a real difference to Queenslanders in terms of providing services for them.

These costs could have even been higher. We know in terms of Governor in Council that the previous government had approval to spend up to \$250 million on these asset sale transactions. That is a very important point. I will go through some of those expenditure items now.

When you look at some of those items we see that we have for the Department of the Premier and Cabinet transactions related to scoping activities. For Queensland capital projects there are scoping studies. There is further work on project administration and network GOC sales preparation. There are a number of matters that lead us to a reimbursement of Queensland Treasury Corporation and we have had to shell out for in this budget just to fix the previous government's work that they did not have a mandate for but went ahead and spent money on anyway.

I wrote to the member for Southern Downs earlier this year appealing to him to honour his support and apparent commitment to openness and transparency and release the documents that were there under the former government. I am still yet to receive a satisfactory response. As people would be aware, those documents were cabinet in confidence under the previous government. The only person who can release those from opposition is the Leader of the Opposition. That is why we have written to him with that request.

I think what is interesting is that on 28 February the member for Southern Downs told the *Courier-Mail* that the Newman government had always planned to make public those costs. Six months from the election—and I have certainly written to the member for Southern Downs about this—we still have not seen that asset sales information and the studies released.

I am appealing to the opposition again today to release that information and make the preparatory works available. It may also assist with the question that was asked earlier by the member for Surfers Paradise. Some of that information may be useful in terms of the work that we are looking at in terms of our energy mergers. It would be great for Queenslanders to salvage something out of the Strong Choices program and out of the money that has been spent without a mandate from the people of Queensland.

**Mr CRAWFORD:** My second question refers to page 101 of Budget Paper No. 2. Treasurer, can you outline the reductions in federal government funding to health and education as well as any changes to national partnership agreements and how these cuts affect the Queensland budget?

**Mr PITT:** I thank the honourable member for the question. You said page 101 of Budget Paper No. 2. The first thing you notice on that page is a graph which is very concerning. It shows exactly what happens as a result of the reductions in federal government funding in the areas of health and

education. It is disappointing that the 2015-16 budget did nothing to reverse the savage cuts made by Mr Abbott and Mr Hockey in their first budget. What that meant across Australia for the states and territories was a reduction of \$80 billion in the areas of health and education over the next decade.

For Queensland, the net impact was \$11.8 billion in public hospital funding and reductions of around \$6 billion in schools funding. As the budget papers present, this is a significant cost-shifting exercise from the federal government—one that when it impacts on Queensland's budget is going to dramatically increase the fiscal burden here in our state as well as in other states and territories. The removal of billions of dollars of Australian government funding from core services in Queensland highlights the volatility and the vulnerability of the states in terms of our revenue base and our reliance on Australian government funding.

People would be aware that when you look at what the make-up is we get around 50 per cent of our revenue from the Commonwealth. So it is an important relationship and one that when I go down at the end of this week to speak to Mr Hockey and my interstate counterparts we will be talking about these matters and ensuring that it is very clearly expressed that the cuts made in 2014-15 budget by the federal Treasurer are unacceptable. They are not cuts that as a state we can wear or sustain over the longer term, and it is through that prism that we will be having an important discussion around tax reform in Australia.

From our perspective national partnership agreements are very important. The reductions that we have seen I think highlight the short-term thinking of the federal government. What we are now dealing with later this week will be a discussion which is really all about fixing cuts made in the 2014-15 budget by Mr Hockey, rather than a genuine discussion around tax reform which should be starting from a level playing field as opposed to trying to fill a budget hole which has been created by Mr Hockey himself.

This obviously goes further than the broader \$18 billion figure that we have talked about. If you go into other areas, the Commonwealth budget provided \$175.8 million for early childhood education to extend the partnership agreement to 2017-18 and \$57.4 million for homelessness through an extension in 2016-17. I will give Mr Hockey one highlight that he has mentioned at a previous meeting of state and federal treasurers—to talk about what would happen in the future when it came to those national partnership agreements. He has suggested that if a national partnership agreement is not to be renewed we would know at the MYEFO, at the federal government's midyear review, to give some notice to the states. We have not been afforded that courtesy before. It is yet to be tested whether that will be delivered, but that is at least some concession to know for our forward planning what will happen with national partnership agreements. I should hope that that is something we can hold Mr Hockey to because it is critically important for the states and territories to be able to have faith in the Commonwealth and to have some security of funding. That is something that is very important to our state going forward.

**CHAIR:** I call the member for Stretton.

**Mr PEGG:** Treasurer, I refer to comparisons in the budget between the 2016-17 budget initiatives and the previous government's budget outcomes. Can you please advise whether the fiscal and economic promises made by the former government were kept and whether these appear in the budget's actual results for previous years?

**Mr PITT:** I thank the honourable member for the question. When you look at the three budgets handed down under the former Liberal National Party government, you can see a clear discrepancy between what was promised to the public and what was actually accounted for in the budget papers. Even when comparing their own budgets over the years, you cannot reconcile a lot of the content.

A popular LNP strategy was to have cuts to service delivery in real terms over the forward estimates and program those by not appropriately budgeting for growth and to keep pace with demand. That was one of the key challenges we faced when coming into government. When we did come into government and we looked behind the curtain, we were presented with a shortfall of several hundred million dollars in health growth funding required to maintain current services over the next four years. In the area of tourism, which was purported to be one of the four pillars under the former LNP government, the tourism budget was set to nearly halve from over \$100 million to \$60 million per annum. There was also a capital shortfall in education. Real expenditure in schools and school maintenance was set to fall from 2015-16 onwards. These were the challenges that we faced—one of several challenges coming into government. There was no real funding for the big infrastructure projects that the former government was spruiking in terms of things like the BaT tunnel. So many of these things

related to proposed proceeds of assets sales, asset sales that had not been factored into the budget, and certainly spending money that they had not yet been received. I think that was a promise to the electorate which was never going to be met.

There was also no attempt to factor in the NDIS shortfall because of the Medicare levy rationing. It is a point that I should have made a bit earlier: the fact that, whilst all Australians, and Queenslanders included, have been paying an extra half a per cent on their Medicare levy since mid-2014, their expectation is that that money will be delivered as part of delivering the National Disability Insurance Scheme. That money is being rationed by the Commonwealth and not released at the appropriate time. So the concern there is that we are going to see a situation where we are still having to make up yet another shortfall, whether it be from the Liberal National Party at a state level or a federal level, for a very important point.

The performance of the member for Clayfield, the former treasurer, over the six months preceding the election deserves particular attention. On 18 December 2014 the member for Clayfield released his midyear review six weeks before the election. The problem was that the forecast in that MYFER had little resemblance to the actual results seen over the first six months of the financial year. On gross state product the member for Clayfield forecast 2½ per cent growth for the year; in real terms GSP fell in the September and December quarters. On employment growth the former treasurer forecast a 1½ per cent increase; in real terms employment growth was at half a per cent in the last six months. On unemployment the member for Clayfield forecast 6¼ per cent; in real terms the trend unemployment rate had risen from 6.5 per cent to 6.9 per cent over the six months before the midyear review.

This is in addition to I think what has been described by several as a heroic four per cent unemployment promise before the 2012 election. This promise then became a stretch target. We all asked what a stretch target was, but clearly it was no longer a core promise. Part of that promise was a four per cent target over six years and at the midpoint, which we were meant to see at the end of a first term under Campbell Newman, it was going to be at five per cent. Very clearly, when you are talking about the unemployment rate getting to 6.9 per cent, that is about as far away from five per cent after three years as you can get and certainly a country mile away from the four per cent that was promised over six years. We should not forget that the former premier, as well as the former treasurer, promised to reduce people's electricity bills over that time by \$120 per year, when what we saw were price increases of over \$550 for the average household over that term of office.

Opposition members occasionally like to make some noise about the payroll tax thresholds. No doubt that it is something that will come up today as part of questioning. What I would say is that there is some sort of revisionist view of their time in government. Assuming that they would be in office for at least two terms, they promised to increase the payroll tax threshold by \$100,000 each year. They broke their own 2012 election promise and then they promised it again in time for the 2015 election. Clearly you have to take their latest promises that we have heard about a so-called new economic blueprint with a grain of salt. Very clearly what has been promised in the past has not been delivered and that should be of great concern to people.

It is in stark contrast to what we have seen under this government. We have costed the increase to the payroll tax threshold to be \$255 million. That is clearly identified as something that is not fiscally achievable given the state of the budget led by the LNP. What we have as an alternative is a \$45 million payroll tax commitment which is all about ensuring that employers hire additional apprentices and trainees and have a direct employment outcome as opposed to seeing a payroll tax threshold increase. That was always our view. It was about providing stability and certainty to businesses and understanding what that commitment was from us.

What I would say again is that we have delivered in this budget on all of our election commitments. I think that is something that Queenslanders should expect. It should not be something that is a bonus. I think that is the difference between this government and the previous government.

**CHAIR:** We will go to non-government questions again. I call the member for Surfers Paradise.

**Mr LANGBROEK:** Can I ask my first question to the Under Treasurer in response to the Treasurer's comments about the inaccurate predictions that he attributed to the former treasurer but that were obviously a product of Treasury. Would you like to comment about those predictions in those tables that he was just talking about from last year's MYFER?

**CHAIR:** Can I clarify that the member is not asking for the opinion of the Under Treasurer?

**Mr LANGBROEK:** No, I am not. I am asking for the Under Treasurer to explain why the predictions in MYFER were so different to the reality as expressed by the Treasurer as being 'heroic'. That is my question.

**Mr Murphy:** I commenced in this position on 1 June. At the time I reviewed the MYFER, especially the unemployment figure and also the growth figure. I cannot make any comments on them. I just reviewed them in light of what was the current economic conditions at the time. In light of that, I took that on notice in terms of the development of forecasts for this budget. I really do not wish to comment on the previous figures that were put together for the previous government.

**Mr LANGBROEK:** Thank you, Under Treasurer. So we can be confident now that you are here that the forecasts will be more accurate in the future. Is that the corollary of what the Treasurer's implication was about the previous MYFER and therefore I presume reflecting on other Treasury officials?

**Mr Murphy:** No, I do not think it reflects on other Treasury officials. Treasury provides the best advice it can—

**Mr LANGBROEK:** Which was obviously completely wrong according to the Treasurer.

**Mr Murphy:** I was not there at the time. All I know is that under my direction Treasury will provide the best advice they can to the treasurer of the day, Mr Curtis Pitt, and we will do that in light of all of the various economic conditions at the time. Economic conditions change. We have seen that with this budget in terms of coal royalties. We have had to take account of the drop in that market. China is in play at the moment. There are a lot of factors that go into forecasting. It is not only Treasury's forecast. We use other forecasting bodies to make sure that we can give the best advice we can to the government.

**Mr LANGBROEK:** I appreciate that. I come back then to another question to the Treasurer, who was speaking about debt. I note that it increases in both the general government sector and the government owned corporations over the forward years. I ask him about his expressions about debt decreasing, but I see that it increases to \$40 billion in the general government sector by 2018-19 and similarly to nearly \$38 billion in the government owned corporations.

**Mr PITT:** Sorry, was that a statement or a question?

**Mr LANGBROEK:** It is a question. You said debt is decreasing and my question is: can you explain to the committee why debt is actually increasing over the forwards?

**Mr PITT:** What we have said is that debt will be reduced over the forward estimates by a cumulative \$9.6 billion. That of course in the absence of those measures would be at that higher level. What we do see under both the general government sector debt projections forecast in this budget and those in the non-financial public sector, which is the preferred measure of the LNP—of course never realising and acknowledging the important role that those government owned businesses play in paying down their own debt prior to returning a dividend to government; they service that debt commercially, as I have said on previous occasions—is the forecast NFPS debt or the total debt tracking lower under the measures implemented in this budget as opposed to what was forecast under the previous government. If the member is asking is the level of debt on either measure lower under a Labor government than the former LNP government, the answer is absolutely yes.

**Mr LANGBROEK:** My question is: is debt increasing over the forwards according to your budget papers?

**Mr PITT:** What we have, again, is a debt action plan which, as very clearly outlined, is going to reduce debt by the figures I have mentioned—\$9.6 billion over the forward estimates. If that were a one-off measure, in a similar way that we could have seen under the former government with asset sales, it would be a debt reduction in itself that eventually would see debt creep back up. What we do know is that in isolation it would be a one-off measure, but it is not. What we saw with the review of state finances was a revised set of fiscal principles. Those fiscal principles very clearly talk about the sorts of measures we need going forward. They include ensuring that we have sufficient operating surpluses to fund our capital program to ensure that that capital program is funded via free cash flows as opposed to being funded by borrowings. In this budget our capital program is funded on average across the forward estimates by a figure of around 88 per cent. It is primarily funded by free cash flows and not by borrowings. That is the way that we will change the trajectory here in Queensland.

An important metric, I should point out to the member, is the debt to revenue ratio on the general government side. The review of state finances talked about having a desirable ratio in the band of between 70 and 80 per cent. That should be achievable as a medium term objective over the next 10 years. What we have managed to do through the measures implemented in this budget is see that debt to revenue ratio lowered from 93 per cent to 73 per cent over the forward estimates. That is a very important metric. Of course the borrowing program in Queensland will be there. Of course there will still

always be a need for the Queensland Treasury Corporation to get investment into government bonds to ensure that we can have our debt fully funded in Queensland, but at the end of the day the measures undertaken by this government have seen a reduction over the forward estimates forecast of \$9.6 billion of general government sector debt as a first step. As I outlined on budget day, on 14 July, that was but a first step. What will be important going forward will be the fiscal principles and ensuring that we adhere to those fiscal principles so that the measures in this budget are not simply a one-off measure. We will be undertaking further work, as I highlighted in the budget, which will be provided midyear as an update.

**Mr LANGBROEK:** Treasurer, I refer to your answer to question on notice No. 6 and your comments that the energy networks GOCs have lower capital expenditure requirements as justification for starving them of capital. Doesn't this mean that Queenslanders are again headed back to the bad old days of brownout suffered in 2004-05?

**Mr PITT:** I thank the member for the question. What we know about the capital requirements of these businesses and the borrowings that they will have to undertake are a few things. I should go back to one of the earlier questions you asked. Again, you implied that I suggested Treasury's forecasts were completely misguided.

**Mr LANGBROEK:** I think you implied that, Treasurer. I think you tried to put it onto the member for Clayfield—

**Mr PITT:** The member for Clayfield was the former treasurer who oversaw and released that midyear review. It is entirely appropriate now that I am the Treasurer to be responsible for the forecasts coming out. I will say this: the Australian Energy Regulator very clearly outlined and flagged in draft determinations in New South Wales a shift of approach, and that was always going to be about ensuring they were focused on consumer outcomes. What that meant was an ability for government owned businesses—our electricity businesses—to yield a return. In terms of providing dividends or what they could profit from in the electricity space that was going to be reduced. One thing we know for certain is that we have seen a shifting over the last few years of the capital requirements for government businesses. Those businesses have very famously provided more than adequate network reliability for our electricity businesses.

I remember sitting in the very seat you are sitting and talking to the former energy minister who continually talked about gold plating. I do not think gold plating is a term anyone would use when it came to ensuring reliability of supply. We do not have the brownouts and blackouts that we used to have over many, many years anymore, and that is because we have a very reliable electricity network. We also know that demand for electricity is being reduced because people are trying to use less energy to save money on their electricity bills. We also know that the onset of renewable energy options will be an important factor going forward.

We have said for some time that the requirements of increased capital by those energy businesses was going to be reducing because of the significant investment that occurred in the network over many years. We also flagged that that would see a potential flattening and a possible reduction of electricity prices in the future. That is what we have seen out of the most recent AER draft determination as well as the flow-on from the QCA in terms of setting electricity prices. The network capital requirements of energy businesses, like some of the other GOCs, is reduced. When we look at this regearing option, and, again, I noticed some very emotive language about starving them of the ability to fund their own—

**Mr LANGBROEK:** If you take a 100 per cent dividend, I would suggest you are starving them of capital, Treasurer.

**Mr PITT:** No, what we know is that the move from 80 per cent to 100 per cent of dividends was important. It was important because it allows those businesses to have more free reign to make their own investments in terms of their future capital. We will be keeping a close eye on those businesses to ensure they are spending wisely with their capital program, but the change from 80 per cent to 100 per cent is directly a result of ensuring that government does not need to make the equity injections that may otherwise have been needed. All of these things augur well for those businesses. They are now geared on a commercial footing very similar to their peers in the same industry. That means they are also going to be able to develop their businesses in a freer way in terms of the non-regulated side of those businesses.

There are opportunities, for example, for the likes of Ergon or Energex, to get involved in solar as part of that approach. That is something which those businesses should look at. I make the point at this juncture that those businesses are only able to make those decisions and to see benefits coming back to the people of Queensland because they are still owned by Queenslanders. I notice the sudden

interest by the member for Surfers Paradise in what is happening with these businesses in their investments and in the dividends they could possibly return. Let me make it very clear that we are having this discussion because those businesses have not been sold off to the private sector. They are ongoing for this government. They will be returning to this government for decades and decades to come because they were not sold off. That was very clearly the proposal we took to the people of Queensland at the last election.

**Mr LANGBROEK:** Thank you, Treasurer. Can I follow up? You said that by taking 100 per cent dividends you are going to give these companies more freedom to do with their capital what they wish. Can you expand on that, please? It does not make sense to me that if you take 100 per cent dividends they will have as much capital as they might have had otherwise.

**Mr PITT:** Your original question asked about the capital requirements of these businesses, and the trend as dictated in part by what has happened with the AER—

**Mr LANGBROEK:** But not to the extent that the AER—

**Mr PITT:**—is that they will not be required to spend anywhere near as much as they have on capital in the past—

**Mr LANGBROEK:** To give us the security we have at the moment.

**Mr PITT:** So that is absolutely going to be the case. The importance of ensuring that we have that shift from 80 per cent to 100 per cent is to ensure those businesses will be able to pay down their own debt in a commercial way, and we as the government will ensure that offset is there so this is a net win for both those businesses and the people of Queensland.

I note there have been all sorts of suggestion of shuffling and a range of other things. Let me be really clear: this measure is very important because it means that you will have more than \$4 billion including the interest savings as a result of this outcome. That is very important because, again, it includes about \$600 million in interest repayments that can be spent on other things. I do not think Queensland taxpayers who service the general government sector debt directly would be happy to be continually paying down that debt when it could be serviced in a commercial way. That is who should be paying for that debt, and it is very important that that is how this is done. It seems as though those interest repayments and savings matter little, because all of the arguments I have heard from the opposition have been that this is just shuffling. If that shuffle results in significant debt pay-down and resulting interest repayment savings, that shuffle is well worth it. But we argue that it is more than shuffling. It is about ensuring that the overall government balance sheet is well positioned, and it means that those businesses are on the commercial footing that they should be. If we are going to keep them in public hands, as we are, then we want to make sure that they work as they should, and that is as government owned businesses running in a commercial way and hopefully in the long run continuing to return great dividends to the people of Queensland.

**CHAIR:** We will go to government questions now. I call on the member for Stretton.

**Mr PEGG:** I refer to the budget highlights document and the suite of measures the government has implemented to support business in this budget. Can the Treasurer please outline what has happened to business confidence in Queensland since the budget was brought down?

**Mr PITT:** I thank the honourable member for the question. As I have said on a number of occasions, it is very important that when we talk about things like business confidence we refer to a range of different surveys. We should never just look at one and say that is the only survey that matters. It has been noteworthy that a variety of independent surveys have registered a confidence boost in business confidence since the budget was brought down last month. According to the NAB monthly business survey for July, Queensland business confidence is now the highest of all mainland states, with trend confidence levels rising by one point to plus nine. According to the NAB survey, the national three-month moving average for business confidence shows that the transport, retail, finance, business and property sectors are all becoming more confident.

This follows last month's Westpac group CCIQ survey of business conditions to the June quarter which also shows rising business confidence. The last week of the survey was a period that coincided with budget week. Out of that period there was a six-point bounce which has been directly attributed with commentary to the Palaszczuk government's first budget. The CCIQ noted that it was able to capture the survey results before and after the state budget and there was a noticeable improvement post the budget in business sentiment. The CCIQ director of advocacy, Nick Behrens, said, 'Confidence in the Queensland economy has improved on the back of a balanced state budget delivered on July 14.' He went on to say, 'Following the state budget announcement there was a six per cent increase in the

proportion of businesses that expected the Queensland economy to strengthen over the next 12 months.' This is partly a result of the budget's deliberate decisions to provide business and industry with the certainty of not introducing new taxes, fees and charges this term. It is important because this impacted on the resources sector as well, with our commitment to not change royalties over the next three years and to foster a pro-business policy environment.

There is a range of initiatives in this budget which are about supporting business in Queensland. Some of them have got a fair degree of exposure, and I am very pleased with things like our home based business program. This will be providing funding of up to \$5,000 to support stay-at-home parents who want to establish and develop home based businesses while maintaining a healthy balance between work and family. It means people participating in our economy who may not otherwise have been participating. It is a \$40 million business development fund which will provide early stage venture capital co-investment to emerging and growing innovative Queensland businesses.

Our broader Advance Queensland strategy is a \$180 million commitment to encourage innovation and grow knowledge based businesses and sectors on the jobs of the future. Earlier I spoke about our 25 per cent payroll tax rebate for employers who are hiring apprentices and trainees. In effect, it becomes a 125 per cent rebate because, of course, apprentices and trainees already attract a 100 per cent rebate on their payroll tax. We have the red tape advisory council. That council will be important in recommending where there are areas of regulatory burden affecting, in particular, small business. It is a group which I will be working closely with the Minister for Small Business, Kate Jones, on. We have an additional \$4.7 million which will continue to enhance and transform how the government delivers online support through our business and industry portal.

Finally, there is the implementation of the Queensland Small Business Advisory Council which is going to be providing direct input, including on matters such as red-tape reduction, on issues facing small business. It is very important that we are a government that listens. That is one of the first things that was remarked to me as Treasurer. Within a couple of days of being sworn in as a new government we met in this very precinct with business and industry leaders from across the state to show that we are a government which is prepared to listen. One of the most commonly remarked things to me was that the doors had been closed and that the previous government had stopped listening. We will listen. We know that the government is not the font of all knowledge. It is important to have a very interactive relationship with the business community and with industry leaders to ensure that they can help work in partnership with this government to grow our great state.

**CHAIR:** Thank you, Treasurer. I have a question of you. I refer to page 30 of Budget Paper No. 2 and the contributions to growth in Queensland's gross state product. I note that household consumption and dwelling investment are forecast to strengthen. Can the Treasurer please outline what has happened to consumer confidence in Queensland since the budget was brought down?

**Mr PITT:** Thank you, Chair. Queenslanders in increasing numbers are sharing the same sort of optimism we have seen about the budget as we have seen from the business community and from industry about the opportunities to strengthen our economy in the future. Since the budget was brought down, consumer confidence has risen to its highest level in almost two years. That is according to the Westpac-Melbourne Institute Survey of Consumer Sentiment index. That index increased by 12.2 per cent to 104.8 in August 2015, its highest level since November 2013 and the highest of any state. A result over 100 shows that the optimists outweigh the pessimists, and that is always a good thing when you are talking about confidence and people's views of how the economy is going. A comparison with the national result of 99.5 shows that Queenslanders have responded well and positively to the new and collaborative approach seen under the Palaszczuk government. The survey also showed a monthly increase of 33.1 per cent in sentiment about family financial conditions versus a year ago and a 23.4 per cent monthly increase in whether consumers thought it was a good time to buy household items.

Last week's Westpac-Melbourne Institute Survey of Consumer Sentiment index showed that Queensland's index was 5.9 per cent higher than it was 12 months ago. There is a range of other metrics in the economy right now that confirm that our budget has had a positive impact. That is in growth areas like housing consumption and dwelling investment. They have been a positive contributor to our state's economic output. Those areas are also a good story nationally when we talk to our interstate counterparts as well. ABS investor housing finance commitments are approaching levels not seen since June 2007. We have had housing finance to purchase existing dwellings in Queensland reaching \$4.7 billion in the three months to June 2015.

The budget forecast strong and sustained dwelling investment growth of seven per cent this year. With low interest rates, strong rental yields and comparatively low housing prices, investors share our confidence in Queensland and are opening their wallets. I was interstate a couple of weeks ago

speaking to people in Sydney and Melbourne—institutional investors. I very cheekily talked about a range of things, including trying to get some of them to relocate their businesses to Queensland. One of the key areas there was looking at the medium house price of being \$500,000 in Brisbane as opposed to what we see in Melbourne and Sydney. That is very important in terms of our ability to attract more people to make not only their business home in Queensland but also come and live here with their families.

The budget forecast household consumption growth from 2½ per cent to three per cent over the next three years. That is again good news. Queenslanders know they have a government that invests in our human capital and recognises that people are a very important part of our economy. We are about creating more jobs and if they feel like they have improved employment prospects, they are more likely to feel confident about buying goods, spending on services and investing in our state. That is why the budget's \$1.6 billion Working Queensland jobs plan is important as is, of course, sending the right message to business that it is okay to invest in those businesses with some certainty knowing that we have an economy which is on the rise and growing in this state. I think it is important to note that when we do talk about what has happened since the election, we have seen that 20,400 new jobs have been created since the election. I think that is a key part of why we are seeing confidence, particularly from consumers, going so well in Queensland.

**CHAIR:** Thank you, Treasurer. I have another question for you. I refer to page 8 of the Queensland Treasury SDS. Regarding the construction of 1 William Street, can the Treasurer outline progress in the project and inform the committee of the background to the project, please?

**Mr PITT:** Thanks, Chair. I have to say that in some respects I wish we had longer today to talk about 1 William Street because there is so much to talk about, sadly, in terms of what happens—

**Mr LANGBROEK:** We are happy to go longer.

**Mr CRANDON:** We are happy to go longer.

**Mr LANGBROEK:** Treasurer, you set the time. It is less than it was last year. We are happy to go—

**CHAIR:** Thank you, and the committee unanimously—

**Mr PITT:** I must have hit a raw nerve on that side.

**Mr LANGBROEK:** It is not a raw nerve; it is just a fact that we are happy to go—

**CHAIR:** I just make the comment that this committee unanimously agreed to the schedule which is before us today and I—

**Mr PITT:** That is a matter for your committee, Madam Chair.

**CHAIR:** Thank you. I thank the Treasurer for the question.

**Mr CRANDON:** We will talk about that a little later.

**Mr PITT:** The former LNP government, as people would be aware, tied one hand behind Queenslanders' back when they locked Queenslanders into a lengthy long-term lease of 1 William Street. Of course, then our other hand was tied behind our back in terms of what would happen when our seven CBD office buildings were sold for \$237 million less than their book value. Of course then we proceeded to have to rent them back at a cost of \$1.2 billion. That is billions of dollars that the former government wasted. Of course, taxpayers will rent those seven buildings now and will never again own them. They will be renting the new Executive Building, which will be housed at 1 William Street as well. That is all because the Newman government and its ministers wanted flash new offices for themselves in the Brisbane CBD.

Members should be aware that the Auditor-General even noted that there was no business case developed by the former government for the private-public partnership that they struck for a new Executive Building at 1 William Street. We are now seeing that the market for office space in Brisbane has softened since the LNP came to power in 2012 to such a degree that the government now finds it difficult to secure privacy for tenants to move into the completed building. I did mention earlier about travelling interstate and talking to investors from Melbourne and Sydney. When I suggested they should be moving here, one of the key draws would be that we have one of the highest CBD vacancy rates in recent memory. Of course, there are some very good deals being struck. Sadly, we are unable to strike those sorts of deals because of what we have been locked into by the previous government.

Of course, the previous government pushed ahead with 1 William Street without analysing the costs and benefits of the process, effectively ignoring all of the available economic, property and Treasury advice that indicated that this was a bad deal. Of course, from opposition I questioned whether

there had been a business case drawn up and I was not given satisfactory answers at the time. Finally, in an ABC interview this year the former Treasurer finally owned up, saying that there was not a proper cost-benefit analysis undertaken. He said—

What the auditor-general said is that in projects like this you normally need to undertake a cost-benefit analysis ...

And in this instance that cost-benefit was not undertaken ...

We said it is the prerogative of governments to make policy decisions to get the economy going and to start things happening. However, the member for Clayfield's lack of attention to detail and having no proper cost-benefit analysis is going to cost the state much into the future. 1 William Street has been a dud deal for taxpayers but of course we will try to salvage whatever we can out of this arrangement. As I said, Brisbane is currently experiencing the highest CBD vacancy rate in living memory. The Newman government was seeking rent of \$650 per square metre whereas the current going rate in Brisbane is around \$500. It is issues like this that would have been brought to light if there was any kind of cost-benefit analysis undertaken on 1 William Street. Under the LNP's plan Queenslanders would have had to cover the rent to the tune of around \$200 million over the next 15 years. It is now left up to the Palaszczuk government to clean up this mess. We have already scaled back lavish office fit-outs as a part of this process. We are saving around \$1 million on that front. I am pleased to inform the committee that as part of the savings that we have realised, no let timber contracts were cancelled or not met. We are in the process of finalising what will represent the best outcome with regard to the arrangements of which government agencies will go into the building. Long after the LNP's term of government is well forgotten, we will still be paying the price for what I think can only be described as a financial debacle under the previous government. When we look to the skyline, we should remember what a dud deal this was for Queenslanders. Thankfully, we are going to come out of this in a process that will mean that Queenslanders will savage something out of the deal. Very clearly this should be a very, very important lesson learned for Queenslanders.

**CHAIR:** Thank you Treasurer. We will go to non-government questions. I call the member for Surfers Paradise.

**Mr LANGBROEK:** I go to Budget Paper No. 2, page 7 and the quote—

... the opportunity for Queensland's defined benefit superannuation scheme to invest in the State's government-owned corporations will be closely examined.

I ask the Treasurer: will you confirm that QIC will potentially be able to buy a stake in these businesses as previously occurred with Queensland Motorways?

**Mr PITT:** I thank the honourable member for the question. This is about QIC which, of course, is a fund manager. We know that they are managing funds on behalf of the LTAAB. The LTAA board will make its own investment decisions and whether those decisions involve the investment in government businesses, of course, is a matter for the LTAA board. It is very important to note that with regard to any of the questions that relate to what we consider to be phase 2 of the approach that we took and delivered at the budget, there is still due diligence to be undertaken. I would be very reticent to talk too much about what would happen given that that due diligence is still being undertaken.

We have given a commitment that we would explore a range of options as a second phase to continuing debt pay down in Queensland and, of course, ensuring that we have further options in terms of looking at our balance sheet as a whole-of-government approach. We have discussed earlier—and you have alluded to it in some questions related to the regearing exercise that will be undertaken with the energy businesses. Of course, if you are doing that in the energy businesses, it would make sense, as we flagged, to consider other options and that includes looking at other government owned businesses such as our ports and water utilities to see if more work can be done there.

That is one aspect of a phase 2. The second, of course, relates to the potential for the defined benefits scheme under the stewardship of LTAAB to look at investing in government businesses. Let us be very clear about what we are talking about with this fund. It is a government investment, part of our adherence to fiscal principles about maintaining fully funded superannuation liabilities in Queensland, and that will still be maintained. Any investment decision made by LTAAB—and I may hand over to the Under Treasurer to talk in a bit more detail because this is something in which he has a more direct role than I do. We want to ensure that any return to the defined benefit scheme would be a sound investment and, of course, I would assume that that would be at the heart of any decision-making around future investments. We have said from the outset that if it does not stack up, it would not go ahead. I might hand over to the Under Treasurer if he wants to add some more commentary to that.

**Mr Murphy:** LTAAB, the Long Term Asset Advisory Board, is chaired by me and the other members are members of Treasury plus the state actuary and the CEO of the Queensland Treasury Corporation. It is set up under legislation. Under that legislation the role of that committee is to ensure that the superannuation funds will be available when superannuants retire under the defined benefits scheme. We are charged with managing the sufficiency of the funding of the assets and also setting out an investment mandate. That investment mandate is a sort of mutual process. The board sets it out on the advice of QIC who then go and invest the money according to certain criteria. For instance, the mandate largely says that so much money can be kept in cash, so much money in debt, so much in property et cetera. Our responsibility is to ensure that we get the best return in accordance with our mandate for the superannuation fund. It may well be that, under a proper analysis, investment in statutory bodies or GOCs in Queensland may be a good investment or a better investment than investment in other assets, especially in other states.

I might say that, in the meetings that the Treasurer had in Sydney and Melbourne in particular with the investment community, a number of people raised with us the likelihood that they would like to invest in our GOCs, seeing that they regulated assets that they felt were a very good investment. There are two aspects to this: there is work on whether, under phase 2 of the debt reduction campaign, this is a worthwhile approach; and also there is the need for analysis by LTAAB as to whether we should give a mandate to the Queensland Investment Corporation to actually invest in some of these assets. The Treasurer cannot give a direction to the Queensland Investment Corporation, but we can set out a menu or mandate as to the types of investments we think would be suitable for LTAAB.

**Mr PITT:** I would just add to the Under Treasurer's response. I have said this before, and it is important to reiterate, that threshold issues with the due diligence that is being undertaken now are that the government entities concerned would remain 100 per cent government owned, would remain 100 per cent controlled by government and would be returning dividends to government of 100 per cent. That is very, very important.

It is also important to note that we are talking about an investment by the defined benefits scheme, which is a government investment. Again this is government investing in government. There has been some suggestion that this is somehow privatisation. It is not. We are not offering or suggesting that as part of this process for any superannuation fund.

With regard to the Under Treasurer's comments about the interest in our government businesses, as you would well know, member for Surfers Paradise, there was a high degree of interest in these businesses because they are good businesses. This is about ensuring that government retains them for the long term, ensuring that any investment made by the defined benefits scheme would see as good a return, if not better, than other investments. There is no direction that is possible, of course, as we have clearly outlined. This is why the due diligence work is being undertaken, and we will be providing that update to Queenslanders at the midyear review.

**Mr LANGBROEK:** Thank you, Treasurer. I was just going to ask you about your quote regarding 100 per cent of the dividends of the companies being controlled and owned by government coming back to government. If LTAAB decide they are going to go with QIC, how can 100 per cent of the dividends come back to government when QIC have done this in the past with Queensland Motorways and then got rid of it?

**Mr PITT:** There are a couple of things. With those threshold issues that I talked about it—and again this is being a bit pre-emptive—it may well mean that we must legislate to ensure that there is no potential for any future changes. We are absolutely intent on ensuring that there is no doubt these will remain 100 per cent government owned. One hundred per cent government controlled is also important, because in that sense the sort of decision that you are talking about would not be able to be made if that control—

**Mr LANGBROEK:** If it was not adhered to.

**Mr PITT:** That is very important.

**Mr LANGBROEK:** What about the freedom of QIC, because is that not the issue? The CEO of CIC has said, 'We are not going to be directed on assets,' and therefore isn't the question then what about QIC and the direction that they will not have the freedom to do what they want to do?

**Mr PITT:** If I have understood your question correctly, I think that the Under Treasurer has answered it. What he has referred to is the role that LTAAB play in controlling the defined benefit investment. Of course QIC on their behalf will make investments in the best interests of the defined

benefits scheme. You would be very aware that, while QIC is a government owned corporation, it is subject to the Government Owned Corporations Act. Under section 34 of the QIC act it expressly provides that QIC is not subject to direction on decision-making.

When I talk to various people across different superannuation funds and other fund managers, they are talking to me about the sorts of anticipated returns they are going to see going forward. There are concerns that they are not going to see the same sorts of highs in terms of double-digit percentage returns; they are thinking more along the mid single-digit range. Very clearly the stability of government owned businesses, including electricity businesses or water utilities, do provide better than mid single-digit returns and have consistently done so. Again without being pre-emptive and without going forward through that due diligence process ahead of time, we do know that these are good performers in terms of businesses. That is why there has been significant interest, and that is why we heard again more interest when we were travelling interstate.

I think the message we sent very clearly back to those investors was that these businesses are not for sale, and that is why we have consideration being given to government in terms of its own cash assets investing in government. That is a very important distinction because this is about a government investment, not a private sector investment and not broader superannuation funds. I think it is important that that is very clearly outlined to you today.

**Mr LANGBROEK:** I would like some clarification regarding the prospective difference between potential QIC investments as per the Queensland Motorways example, when there was a letter from Gerard Bradley to Doug McTaggart saying, 'We expect you to diverse Queensland Motorways, monetise it, equity selldown in years three to four.' What you are suggesting to this committee is that that will not happen in any prospective investment into GOCs going forward.

**Mr PITT:** As I have said to you, as part of the process of due diligence it has to stack up as an investment. It is also ensuring that the range of investment is something that must be considered. Obviously the defined benefits scheme is a larger pool. I think it would be quite ridiculous to suggest that all of those funds would be invested into any one thing. That is a bad investment decision on any front. I will not put a dollar range on it, but it will obviously not be the entire defined benefits scheme investing; it will be a component of that if indeed that is something that stacks up.

I mentioned earlier about the possibility of even legislating to ensure there is no doubt in anyone's minds—including yours, member for Surfers Paradise—that there will be any on-sell of any of these entities. That is why those thresholds are important: the 100 per cent government ownership, control and dividends—

**Mr LANGBROEK:** And no divesting.

**Mr PITT:** And no divesting, correct.

**Mr LANGBROEK:** At all.

**Mr PITT:** Correct.

**Mr LANGBROEK:** So they would have to hold it, based on the yields they are able to achieve through better management efficiencies.

**Mr PITT:** Absolutely.

**Mr LANGBROEK:** But never be allowed to divest it in any form apart from owned by QIC.

**Mr PITT:** Correct. Yes. Remember, they are the fund manager. We are talking here about the defined benefits scheme as a client of QIC. That is a government investment so it will be in essence, if you like, more owned by government than ever before if that sort of approach is taken.

**Mr Murphy:** If an asset is a GOC asset, there is an agreement between LTAAB and the Queensland Investment Corporation as to how that asset is managed, so there would probably be an amendment to that agreement to say that that asset cannot be sold.

**Mr LANGBROEK:** Thank you, Under Treasurer. That is why the letter that I had from 2011—which was the previous Labor government—was about what happened with motorways which, as I understand, led to the increase in the defined benefit fund, which we have now had the moneys taken out of—\$4 billion—in this budget. I am just trying to seek clarification, and you have provided it to me, that there will be a clear change of the rules about what would happen should there be a subsequent GOC investment by QIC. I just question as to whether Damien Frawley and QIC will necessarily be happy to invest in that, and we will see that in the future.

**Mr PITT:** I am sure it was just a slip, but you mentioned \$4 billion out of the defined benefits scheme. What we are talking about there is a time limited suspension of investment, and it is a \$2 billion figure over five years, not \$4 billion. Of course nothing is being taken out; it is just a suspension of investment.

**Mr LANGBROEK:** I will come back to that in the next session.

**CHAIR:** We are breaking at 4.15. I am happy for the member for Surfers Paradise to continue until then.

**Mr LANGBROEK:** Thank you, Madam Chair. The question then is about the difference between a contribution holder and a suspension of contributions and the letter that was quoted when the State Actuary was asked for his advice about how a contribution suspension might happen. I would just like more detail about what the difference is between a contribution holiday or, as the actuary responded, his suggestion as to how it might be done differently.

**Mr PITT:** That was a fairly broad-ranging question. Would you be able to simplify it?

**Mr LANGBROEK:** Sorry, it is really just a clarification for the committee about the process that was suggested by, I think, your chief of staff. I cannot find the letter here at the moment, but I will find it while you are responding. The actuary responded that there should be a time limitation on investment.

**Mr PITT:** What we looked at here is the defined benefits scheme, which has a finite group of government workers who are members of that scheme. It is a scheme that has been closed since 2009. We know absolutely how many people are in the scheme and how many will need to be paid out. Of course without knowing the exact retirement date of each of those members in the scheme it is difficult to say how long the scheme will remain open, but the longer the scheme is open and the more people who retire and cash out from that scheme, the longer term liability reduces over time. Those are things we know.

We also know that, based on advice in writing from the State Actuary, that that scheme on a funding basis was more than \$10 billion in surplus. If we use the more conservative accounting basis, it was considered to be between \$2 billion and \$2.5 billion in surplus as well. On both of those measures there was the ability to take a time limited suspension of our investment. What we know is that that is something that superannuation schemes and employers looking to make their contributions to those schemes from time to time have the option to do. There is a three-yearly process by which the actuarial advice is looked at, the health of the scheme is considered and whether increased contributions are required or whether it is possible to not contribute.

As a result of the advice, over that five-year period we were able to suggest that we could save \$2 billion in contributions and basically still have that scheme in surplus. I have said on a number of occasions that, if all of the 50,000 members or thereabouts in the scheme decided at 9 am tomorrow to leave the government and to cash in—which is, of course, not going to happen—the scheme would still be in surplus. We have taken a conservative approach given the fact that there is more than \$10 billion in surplus on a funding basis.

That is money that could be well used to pay down general government sector debt, which is what we are doing in this budget. The current approach of continuing to invest employer contributions in an overfunded scheme is not appropriate. Given the range of other matters that we are dealing with as government it is important to ensure that we are making the best use of all of our assets, including those income-generating assets that we kept in public hands, but also our financial assets. This is one example of an area where we can make better use of those contributions over the next five-year period.

**CHAIR:** The committee is going to break for 15 minutes and we will resume at 4.30.

#### **Proceedings suspended from 4.14 pm to 4.30 pm**



**CHAIR:** The committee will now resume its examination of the portfolio of the Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships. We will go to government questions.

**Mr CRAWFORD:** Treasurer, I refer to pages 9 and 10 of Budget Paper No. 2. Can you advise how Queensland's forecast operating balance compares to previous budgets?

**Mr PITT:** I thank the member for the question. As I said at the outset, this is a budget that demonstrates the Palaszczuk government's determination and commitment to responsible economic management and, consistent with our fiscal principles, substantial operating surpluses are projected in each year and every year of the forward estimates. This is about ensuring that the general government sector capital program is primarily funded from the current revenues rather than borrowings. I made the

remark a little earlier about what that looks like across the forward estimates. The anticipated 2014-15 operating surplus of \$962 million compares with a forecast deficit of \$64 million expected in the 2014-15 MYFER under the former government, so this is more than a \$1 billion improvement—a \$1.026 billion improvement—largely the result of lower than forecast expenses. The net operating surplus in 2014-15 represents only the second surplus since 2008-09, so the estimated operating surplus of \$1.213 billion in 2015-16 is estimated to be the largest operating surplus since 2006-07. There is no question that the global financial crisis had an impact. Of course since that time successive budgets have been buffeted by economic factors out of our control, so what we see in the 2015-16 budget is no different. We said this very early in the piece, and that is that we are going to be experiencing a \$3.2 billion write-down in royalties and this is primarily as a result of a global downturn in commodity prices. The important point to make though is despite these global headwinds we have still been able to deliver strong surpluses each and every year over the forward estimates.

We will compare this to the results under the former government. In the first year of the previous government they delivered a \$4.382 billion deficit. This is the actual result for 2012-13. That was a deficit which was over twice the levels seen during the GFC, and this was of course the austerity budget. What followed were cuts to front-line services and mass redundancies. If we wind the clock forward to the end of their term less than six weeks before the election, the forecast from the Treasurer then was \$64 million for 2014-15. Fortunately I think the white flag was raised by the former government in terms of growth. I remember on numerous occasions talking about what the options for Queensland were going forward and we were told that we only had one choice at the end of the day, and that was to sell government businesses—to sell our assets. I consistently said that we had more choices than slashing and cutting services, we had more choices than mass redundancies and we had more choices than seeing those assets sold. It was always about ensuring that we could be a state of growth, and we know that Queensland has consistently been a state of growth since 1992. We have outstripped both the national growth figure and the OECD average and that says a lot about the fundamentals of the Queensland economy.

We know that the former government stopped investing in the future. They stopped investing in science and innovation, and of course that was about further diversifying our economy. It should be really clearly understood by people that our economy is not an economy which is reliant on the resources sector as is sometimes suggested. It makes up only about 10 per cent of our output. So we already have a very diverse economy in Queensland. In fact, I think the diversity of our portfolio is something that is the envy of many other states and territories in Australia. Certainly though we have to ensure that we continue to look to the future to look for those opportunities. In relation to health and education needs in Queensland I heard this quote—

Budget surpluses are not going to be there for the future as we build in that cost and expense.

That obviously shows that there was a severe pessimistic attitude towards growth going forward. We are optimistic about our opportunities in Queensland. When you look at the fact that we are leading all states and territories in terms of our cumulative surpluses over the forward estimates as well as in terms of what our rates of growth are projected to be, it means that Queensland is a fantastic place to do business and it means that we have very promising signs on the horizon.

Getting back to the point of what it means in terms of our capital program going forward, I mentioned earlier that on average 88 per cent of our capital program is going to be funded from free cash flows out of those budget surpluses. That is a very important point because that is one of our revised fiscal principles. It is how we move from having a program in the past that has been more reliant on borrowing. That is how we have not just debt reduction in this budget and over the forward estimates but it is how we will continue to change the way that Queensland is operating in terms of funding capital in the future. That is a very important point for us in ensuring that we have, as the review of state finances has suggested, those ongoing surpluses of between \$1 billion and \$2 billion to ensure that we can continue to provide the sort of infrastructure we need here in Queensland.

**Mr CRAWFORD:** Treasurer, I refer to page 10 of Budget Paper No. 2. Can you advise how Queensland's cumulative operating surpluses compare to those of other states?

**Mr PITT:** That probably goes a little further to the previous question and I probably in part have answered that question. I would say though that when you look at what those cumulative surpluses are over the next four years they are in the order of \$6.9 billion. Every other state in Australia does use operating balances, and that is important because there is a suggestion that somehow Queensland needs to be a special case and use any fiscal balance. As I said when I was the shadow Treasurer and will continue to say, that has been the standard and it is what we will be using. It is why we see our fiscal principle focusing on having strong operating surpluses again to fund that capital program which I alluded to. When you look at the fact that our operating surpluses are very strong—the strongest projection in terms of any other state compared to Queensland over the full years—we are at \$6.9 billion. The nearest competitor is Victoria at \$5.8 billion. I should say that we are not in competition

with Victoria except they are another Labor government, so it is fantastic to see two Labor governments leading the way. In comparison, New South Wales is forecasting cumulative surpluses of \$3.18 billion, and that excludes their transport asset holding entity, while Western Australian is forecasting a cumulative deficit of \$770 million over the next four years. When it comes to this year's surpluses, I can report that Queensland was pipped by Victoria. I know Tim Pallas, the Treasurer there. He is a good friend, so of course he let me know about that. I do know that they posted a \$1.219 billion forecast compared to our \$1.213 billion forecast operating surplus. We are comparing very favourably to other states and territories. In fact, over the next four years our cumulative surpluses will be leading the nation. As I said, we will also be leading the nation in terms of growth. These are very positive signs for Queensland and all of this was achieved in this budget without the need for mass sackings, without the need to cut services—in fact, we increased services—and of course we have not been required to sell our assets to achieve these things. We always said that we could grow our way to prosperity, and that is what we are doing.

**Mr PEGG:** Treasurer, I refer to pages 4 to 7 of Budget Paper No. 2 and the debt action plan. I note the former treasurer told this hearing last year that there was only one choice for dealing with debt—asset sales. Can the Treasurer please advise what alternative choices the Palaszczuk government has pursued and will continue to pursue?

**Mr PITT:** I mentioned earlier about the idea of having growth and ensuring we have economic growth as an important aspect of our approach going forward. When you do rule out those other choices—when you do rule out mass redundancies and you rule out significantly cutting services to Queenslanders and you rule out selling assets—very clearly you need to look at other ways. It is often said that necessity is the mother of invention. We are very happy to have taken the position we took to the election. What that meant was ensuring that we looked at other innovative ways to ensure that we could have a program of debt reduction. Key to that going into the election was retention of government businesses and making them work harder for us and of course having efficiencies from those businesses with merged entities but importantly looking at what the dividend streams could bring to us. I referred in an earlier answer to what we have been able to achieve with our debt reduction in this budget. That debt reduction has more than met the election commitment we took. The way in which we have approached this was based on a range of different things. In this budget we have taken a very innovative approach to a whole-of-government balance sheet approach looking at all of our assets—financial income-generating businesses—and making them work more efficiently and effectively for us. That is the approach we have taken.

We have taken the advice of the Treasury. When it came to the regearing option, not only was that recommended by the review of state finances but it was also recommended by KPMG, suggesting that we needed to have those businesses geared more appropriately in terms of their relation to their industry peers. So we are a government that is not only listening to Queenslanders and listening to businesses when we engage with them but also taking advice from the Treasury which has presented some very sound advice in the review of state finances. So all of those elements have helped us look at the approach taken to the budget. Of course first and foremost it was about delivering on our election commitments but in the first instance making sure we delivered on those. We have more than offset those election commitments with savings and reprioritisations. Once we looked at those issues and we looked at the growth funding issues that were presented to us and we dealt with the revenue write-downs, we then took an eye to how else we could do things. That is why we have taken the innovative approach that we have. I think most people would agree that not having any of those other options available to us meant that we needed to take a different approach. We have done that and I think in the process we may well have surprised a few people, but ultimately it is a good outcome for the state and I think the budget numbers speak for themselves.

**CHAIR:** We will move to questions from non-government members now.

**Mr LANGBROEK:** My question, based on the answers that the Treasurer has just been giving about the choice of an operating surplus, is directed to the Under Treasurer. I ask the Under Treasurer: which cash or fiscal surplus or operating surplus did you use in the federal government from where you have come under a Labor government?

**Mr Murphy:** It was a matter of great controversy in the federal government as to whether you should do accrued accounting which would largely be the fiscal balance or whether you should use the cash operating balance. The last time I was working on a Commonwealth budget the metric we were using was a cash operating surplus, but there were actually two or three measures that were actually used. Most people thought that the cash operating surplus was the better measure in terms of trying to explain the budget.

**Mr LANGBROEK:** So, in other words, the fiscal surplus tells us that we are not borrowing but having a fiscal deficit tells us we are borrowing more. Is that a simplistic assessment of it?

**Mr Murphy:** Moving away from the Commonwealth and looking at it from the Queensland point of view, what we have done is we have a net operating surplus plus I think you also look at, in terms of the policy framework under the budget, the fiscal principles and the fiscal principles deal with saying any capital investment would be paid for from accrued revenue. So I think what we are doing is we are standardising for comparison purposes with other states the net operating surplus but also marrying with that the fiscal principles which lead you to account for, in effect, getting you back to where you want to know, in other words, how much cash surplus you have and how do you account for capital. With the fiscal principles, we have said—

Target ongoing reductions in Queensland's relative debt burden, as measured by the...debt to revenue ratio.

That is the No. 1 principle and that is what the Treasurer has been saying and that is to actually control the debt. We are going to—

Target net operating surpluses that ensure any new capital investment in the General Government Sector is funded primarily through recurrent revenues rather than borrowing.

I think you need to ensure that, when you look at how we have put the framework together for the budget, you look at both of those elements to give you what is the true picture for the government.

**Mr LANGBROEK:** Certainly. Thank you, Under Treasurer. In the past I think Treasury's advice had been in the previous government that we should look at the fiscal surplus or deficit because of the extent of debt that Queensland had. Can you advise the committee: has that advice from Treasury to the Treasurer changed—that we should now, along with, I understand, his policy principles of saying that he is going to go on an operating surplus? Can you confirm that—that Treasury's, advice was—

**Mr Murphy:** It has and it has not. I looked at the blueprint that was prepared for government in 2012 I think it was and then the Commission of Audit. When I looked at the blueprint the strategies that were set out there for what the fiscal principles were are virtually the same as what we have got now.

**Mr LANGBROEK:** No, they have been changed to targets now, have they not?

**Mr Murphy:** Yes, changed to targets, but they are along the same lines.

**Mr LANGBROEK:** So with fully funded super, now it is a target that we will have fully funded super.

**Mr Murphy:** Yes, but—

**Mr LANGBROEK:** So they have been watered down. The fiscal position—

**CHAIR:** Excuse me, member for Surfers Paradise. If you could just allow the Under Treasurer to answer the questions, please?

**Mr LANGBROEK:** Okay.

**Mr Murphy:** I would suggest to you that they are along the same lines covering much the same territory. As I say, the metrics that can be used, I think the main strength from using the net operating balance here is that it is comparable with other states and if we are seeking to attract investment we need to be comparable in terms of that. Yes, there is a debt issue here. That is quite apparent and that is why, in terms of policy framework, there is a debt reduction policy. That is, I think, the strength of the budget in that it is actually tackling head-on the issue that we have this large debt burden which needs to be reduced over time.

**Mr LANGBROEK:** Okay. Thank you. As I understand it, though, the difference in the principles is that we were going to achieve the principles and now they were going to target those principles?

**Mr Murphy:** Look, realistically, for outsiders to look at this and to see that the government's fiscal position is in order we will have to maintain adherence to those principles. That is how I see it and that will not be easy, given the community expectations on government spending. That is a big issue at the moment for all governments in Australia, but I think this government, with its policy framework, has put down the fiscal principles and, hopefully, it will stick with them.

**Mr LANGBROEK:** Hopefully? Hopefully the government will stick with them?

**Mr Murphy:** That is my advice. The Treasury advice is that you need to stick with them, but you can have extraneous events occur—natural disasters. We have seen in the past global risks. Things can happen. But as a starting point in this juncture, Treasury would say that this is a very sound policy framework to go forward with.

**Mr LANGBROEK:** Okay. Thank you, Under Treasurer. You have also confirmed that, even in the government's budget papers, our debt is at a relatively high level. Sorry, I do not want to put words in your mouth, but it is certainly higher than any other state. That is what it shows in the budget papers and it is increasing over the forwards.

**Mr Murphy:** In my view, there is a debt issue here which, if you look at the report on government finances, which was prepared by the Treasury this year, commissioned by the incoming government—

**Mr LANGBROEK:** What page?

**Mr Murphy:** It gives a longitudinal study over the last 10 years of how debt has accrued. What it is virtually saying is that Queensland was a low tax, low wage, low investment state and then you had a boost up of investment and it is not surprising that, in light of that, you have debt. So what I think you are seeing now is that there has been great investment in Queensland. We need to pay down the debt but, on the other hand, some of the services and community measures that are being taken are to the benefit of the community. So, in effect, you have the debt and you have a plan to reduce your debt. I do not see that as any black mark against anyone; I just see it as a fact of life.

**Mr LANGBROEK:** No, what we are trying to ascertain here is the current government's policy settings. They have made it very clear, and the Treasurer certainly has, that he wants to talk about an operating surplus, which I note is less than what the surpluses were going to be over the forwards, and does not want to do it from the perspective of a fiscal surplus or deficit, whereas our government had said, based on the Commission of Audit recommendations, that we should be focusing on that. But I am happy to move on. Thank you for that information. May I ask the State Actuary a question, Treasurer?

**Mr PITT:** I am more than happy for you to ask the State Actuary a question.

**Mr LANGBROEK:** Mr Cannon, this is just a question really to do with what we were discussing before the break and that was about the recommendation for the contribution holiday. I refer to your report that I think was tabled on 30 June 2014. I am happy to seek leave to table this. I note that you state—

... the existing contribution rates—

should be retained. This was your recommendation—

... since:

- the surplus will provide a buffer against adverse investment returns;
- consistency with the contribution rates in the Accumulation plan will be maintained;
- stability in budgeted contribution rates for employers is beneficial; and
- the more stringent solvency position recognised in the Government's financial statements showed an actuarial deficit at the valuation date, although this is expected to be broadly offset by subsequent strong investment returns.

**CHAIR:** Could I just interrupt the member for Surfers Paradise? Are you seeking leave to table that?

**Mr LANGBROEK:** I am seeking leave to table that for the benefit of the committee.

**CHAIR:** Is leave granted? Leave is granted.

**Mr LANGBROEK:** Thank you. My question is just about the difference between that report, which is a fully fledged actuarial report, and the process. I would be interested in the process by which the contribution holiday was subsequently derived. I know that was also due to a letter that you have responded to, but I just wonder if you could advise the committee about that. In other words, we normally have, I think, a three-year actuarial report. This was in between. Could you advise the committee about the circumstances, please?

**Mr Cannon:** Certainly. Thanks very much for the question. You have mentioned that there is a triennial process regarding the contribution recommendations, the funding valuations. That has been in place and it allows me to recommend contributions and you have spoken about the recommendations that I made at the time in 2013. Whilst that is the normal process, it is certainly not unheard of within the superannuation sector for, if you like, intravaluation reviews of that process. So an employer sponsor can come to the actuary and say, 'What is an update on the scheme's position? Are we able to make any changes to the way that the scheme is funded, for example?' That is certainly not unheard of. I have actually had some discussions just recently with some actuarial colleagues about that very matter and they have confirmed that to me in their experience.

The process that you mentioned here was that the acting Under Treasurer at the time wrote to me and asked for my comment about a specific proposal and that was about the suspension of contributions, as you have suggested, and asked for my comment on that. I provided my comment on that in my letter to the Under Treasurer which, I believe, I think has been tabled in parliament previously during the budget session. In that I concentrated on the updated position of the scheme. So the key difference, I think, is that the valuation report of which you spoke was as at 30 June 2013. The figures that I gave in my letter were the projected positions as at 30 June 2015.

So two years down the track what has happened? There has been some very strong investment returns. You mentioned the QML transaction before and that was a major contributor. The projections that we had for 30 June 2015, I think the Treasurer has just mentioned previously, was a very strong surplus—over \$10 billion on a funding basis—and a strong one on the accounting basis as well. I note that there is no other state in Australia that can talk about surpluses on an accounting basis; it is unheard of. We are in a very, very strong position.

**Mr LANGBROEK:** Which is a good thing, though.

**Mr Cannon:** Absolutely.

**Mr LANGBROEK:** As a stand-out as opposed to the middle of the pack.

**Mr Cannon:** Absolutely. So my discussion of that was to look at those projections and say, 'How would the scheme be affected?' I was asked for my comment. My view was, and remains, that the scheme is in a very, very strong funding position and was well placed, I think were my words—and I am comfortable with those—to accommodate that proposal.

I note that it is quite a measured approach, because it happens gradually over time. So it still allows some flexibility through the usual triennial valuation process to make adjustments. If the investment environment changes materially, for example, we are still able to make changes if required and that is I think entirely appropriate.

**Mr LANGBROEK:** I am sorry, can you just clarify that? I thought that it is a five year contribution holiday.

**Mr Cannon:** That is the intent, and I have been asked for comments on that. The five-year contribution holiday will be about just over \$2 billion in present value terms—I think \$2.1 billion. So that is in place, but the valuation process continues. The triennial valuation review process continues. The intent would be that that would be the default position. So the employer has requested that. I have made comment on it. Once the government adopts it, then that is the default plan, if you like, and then I take that into account in my valuation process and I will make recommendations with regard to the ability to continue with that plan and then what should happen going forward as well.

**Mr LANGBROEK:** Okay.

**Mr PITT:** I can make some—

**Mr LANGBROEK:** Certainly, Treasurer, yes.

**Mr PITT:** If it is okay just to add something to that?

**Mr LANGBROEK:** Yes.

**Mr PITT:** The issue of the fact that you have a triennial review has come up. It is important to note that I have given a commitment that, whilst every three years there is a publicly released actuarial report, to allay any concerns that people may have about the health of the scheme and how things are going we have committed to providing that information—because it is done every year—every year over the five years to ensure that that there are no concerns about how the contributions may be impacting in a positive or negative sense. It is important to ensure that that is there for people's peace of mind. We in no way want to see a circumstance where people think, 'What is going to happen over the three-year period?' We will be, of course, closely monitoring what impact this time limited suspension has and, of course, to see just how the investments are tracking. That is what the actuarial will be doing, but we have committed to doing that and bringing forward that triennial review to ensure that that is done annually. I think that that, hopefully, will give people even more peace of mind. Despite the professional advice from Mr Cannon, if we had that on an annual basis, that will, I think, hopefully allay fears even further.

**CHAIR:** Thank you, Treasurer. Sorry, member for Surfers Paradise, we will go to government questions now.

**Mr LANGBROEK:** Thank you.

**Mr PEGG:** Treasurer, I refer to pages 14 and 15 of Budget Paper No. 2. Can you please advise what impact decisions taken in this budget have had on reducing Queensland's general government borrowings and non-financial public sector borrowings?

**Mr PITT:** I thank the member for the question. The measures implemented in this budget as part of our debt action plan reduce our general government debt by around \$7.5 billion in 2015-16 compared to the level of debt in the absence of the measures—and this is a point that I was referring earlier with regard to the member for Surfers Paradise. What it says is that, in the absence of these measures, we would otherwise see debt at that degree higher. What it means over the forward estimates is a resulting reduction of \$9.6 billion in 2017-18. Overall, general government sector borrowings are expected to be \$2.544 billion lower in 2018-19 than they would be in 2014-15. This represents the first budgeted reduction in general government sector debt across the forward estimates since 1999-2000. General government sector borrowings are estimated to have peaked at \$43.268 billion in 2014-15. In comparison, in 2014-15, the budget projected general government sector borrowings would reach \$48.421 billion in 2017-18, with the 2014-15 MYEFO projected borrowings of \$47.072 billion in 2017-18.

I did mention earlier that the opposition still, I think, maintain that the non-financial public sector borrowings are the most important measure. They had never been the primary measure until the Newman government came in in 2012. We had always talked about general government sector borrowings as being the primary measure. However, on the NFPS approach, the estimated actual level of debt at 30 June 2015 is \$75.535 billion. This is \$2.018 billion less than in the 2014-15 MYFER estimate. As I mentioned to the member for Surfers Paradise earlier, under either measure, the general government sector debt level or the non-financial public sector level, levels of debt are lower under the ALP than they would have been under the LNP and that is proof pudding in their own budget documents. So very clearly we will have lower levels of debt.

Of course, by 2017-18 borrowings are expected to reach \$77.119 billion, \$2.673 billion less than projected in the 2014-15 MYFER. When you look at those pages, if you look at charts 1.3 and 1.4 in budget paper 2, they show that the action plan has resulted in a steep change in the trajectory of both general government sector as well as non-financial public sector borrowings. The growth in debt the former government was projecting has been curbed right across the forward estimates to the extent that the debt we will see in Queensland three years from now in 2017-18 is lower than the level of debt the former government forecast to have on its books today.

As I said, we will always be looking to pay down general government sector debt. We have been clear about that in opposition. We have been clear that that is what we would be focusing on in terms of the type of borrowings that we could have the most control over, but ultimately on either measure, our measure outlined in our fiscal principles or the opposition's, debt is tracking lower under this government than was projected under the previous government.

**CHAIR:** Thank you, Treasurer. I call the member for Barron River.

**Mr CRAWFORD:** I refer to page 17 of budget paper 2 and the government's new fiscal principles. Can you please advise why the debt to revenue ratio is an important metric of the state's financial sustainability and the forecast for this ratio over the forward estimates?

**Mr PITT:** Thanks, member. The government has adopted five fiscal principles following our consideration of the review of state finances which was undertaken by the independent Treasury and certainly not as part of a commission of audit from an external third party. One of these principles, of course, is to target ongoing reductions in Queensland's debt burden as measured by general government sector debt to revenue ratio. That ratio is the key measure of the state's ability to service debt. It is the yardstick used by markets and ratings agencies. Prior to the election the Palaszczuk government's Queensland debt to revenue ratio was, as I alluded to earlier, an unacceptably high 93 per cent. Now, of course, it was forecast to remain at over 80 per cent over the forward estimates. The review of state finances did talk about and advise that the most practical medium-term objective for the state was to see that measure to reduce the relative size of debt over time as measured by general government sector debt to revenue ratio. Now, the review went on to say that if debt were to be limited to growth at or below gross state product, the base case would see Queensland general government debt to revenue ratio reduce from around 90 per cent to below 80 per cent over the next decade to 2025-26. In this context the challenge set by the review of state finances was to target operating surpluses to be in the range of between \$1 billion and \$2 billion per year, which we have delivered in this budget and, of course, to ensure that the capital program is primarily funded through recurrent cash flows, which we have delivered in this budget.

However, I was determined to ensure that the budget surpassed Treasury's challenge of reducing that debt to revenue ratio to below 80 per cent by 2025-26. We did say earlier about that 70 to 80 per cent band which would be the ideal. What we know is that we have reduced this budget down to a 75 per cent ratio this year and, of course, projected to be 73 per cent in 2018-19. This is again a clear demonstration about the way we have approached this budget and the way we are approaching government in a very measured, responsible way. We have looked at every opportunity available to us whilst at the same time delivering on our election commitments, in particular not requiring mass privatisation programs to reduce debt in this state.

Just while we are talking about the review of state finances, it is important to note that the approach taken is all about ensuring that we can have a responsible approach to our credit rating in this state. There has been a very big campaign by the former government about AAA credit ratings and why they are so important. Let me say that I have always said that a AAA credit rating is desirable, but not at any cost. I think the cost that we saw was a significant fiscal action by the previous government hurting the economy and hurting Queenslanders. That is not something that this government is going to do and I think we have proven that we are able to still look at those very important metrics like that debt to revenue ratio, reducing that by a full 20 per cent over the forward estimates, without the sort of drastic action we saw under the previous government.

It is important for Queensland to have a strong credit rating and, of course, what the review of state finances said was that it was neither necessary nor wise in terms of the magnitude of the policy adjustments required to pursue a return to AAA in the near term. That is important because what it says is that the GOC sector debt is commercially sustainable and it is reasonable for the government's fiscal policy focus to be on the general government sector. That answers a little bit earlier the question related to the fiscal balance and the change in the view, of course, of what happens with Treasury's advice. That was advice from three years ago and there have been substantial shifts on a range of fronts, including, as I alluded to earlier, what is happening in the energy sector, what those government businesses do and what their capital outlays would be. I have always said the professionalism of Treasury is beyond reproach and I believe it is important to adhere to the advice and, of course, that advice must be contemporary advice, not advice from three years ago.

**CHAIR:** Thank you, Treasurer. I will call the member for Barron River again.

**Mr CRAWFORD:** Thanks, Chair. Treasurer, in your last response you mentioned the reaction from the markets. Can you advise how the markets have reacted to the 2015-16 budget?

**Mr PITT:** Yes. This was something that I enjoyed talking to institutional investors about on the roadshow to Sydney and Melbourne recently. Firstly I would say the reaction broadly from investors was one of surprise, but in a very positive way, about what we were able to achieve with this budget and, of course, that sparked a strong degree of interest in potential investment in Queensland, particularly seeing the very strong growth figures that we have and the very stable approach we have taken to long-run ownership of businesses and the sorts of stability that provides. So, what we do know, of course, is that Queensland Treasury Corporation's borrowing program following the release of the 2015-16 budget, the announcement was the following day, was that there was an improvement in Queensland's cost of new borrowings relative to other Australian jurisdictions. For example, the 10-year QTC bond spreads have improved by approximately six basis points relative to both Australian government and New South Wales Treasury Corporation bonds since the release of the budget. Bond issue since the budget has been well supported by the market with \$300 million of Queensland Treasury Corporation July 2024 benchmark bonds issued by tender in July. The bonds attracted an oversubscription of 4.7 times. A further \$1.25 billion of QTC July 2025 benchmark bonds were issued by syndication in early August. This issue was well supported with total orders received of \$1.75 billion including a very large allocation of \$600 million to US investors.

Market and market analyst feedback in relation to the debt action plan has been largely positive given the resulting reduced amount of Queensland debt with a scope for further debt reduction measures noted as we announced at the 14 July budget. Ratings agencies Standard & Poor's and Moody's both issued commentaries shortly after the release of the budget and without speaking on their behalf I would certainly say that it is pleasing to see they have recognised the steps taken in this budget in terms of debt reduction. As a result they have flagged that there will be no change to the Queensland credit rating.

It is important to note that we have seen some very interesting moves in terms of people being shifted to negative outlooks and, of course, other commentary suggesting that further downgrades may be possible in other jurisdictions. For Queensland to get essentially a no-change scenario as a result

of this budget given the range of factors we have dealt with, including a very volatile global climate at the moment and the reductions in royalties that we have seen—those writedowns—it is a very good outcome for Queensland.

I will note that Standard & Poor's commented, 'The budget announcement reveals an improving fiscal position with surpluses over the forward estimates.' Moody's is supportive of the state's new fiscal principles noting that, 'The state's update to its fiscal principles, which include a provision that current revenues must cover a large portion of capital spending should help minimize fiscal deficits which would lead to an easing in the state's above-average debt burden.' I make those points because we talked about the fiscal balance earlier. This goes to show that we have actually reduced our overall debt to a lower tracking debt than what was previously forecast under the former government. This is also about ensuring the way that we manage our capital program is going to ensure that we are minimising fiscal deficits as well and reducing those. This is in stark contrast to other jurisdictions like Western Australia, as I said, which has been recently placed on a negative watch and Victoria where Moody's called the budget a credit negative. This, I think, presents Queensland's very measured and stable approach to see that sort of result not just from domestic investors but international investors. The resulting response of the markets has been very positive to this budget and again we expect that there is going to be even better outcomes if we are able to undertake the next body of work and provide an update to Queenslanders as of midyear review.

**CHAIR:** Thank you, Treasurer. I have a question. With reference to the capital program outlined in budget paper 3 and in response to public statements from the LNP about an infrastructure freeze, will the Treasurer update the committee on the government's capital program in 2015-16 and over the forward estimates, please?

**Mr PITT:** Thank you, member. I have heard this commentary for some time about a supposed infrastructure freeze in government. It is very concerning because what we know is that in this budget the flow of works is strong. We know that in the 2015-16 year the total capital program is expected to be \$10.1 billion. That \$10.1 billion capital program is going to be directly supporting 27½ thousand jobs in this state. It represents an increase of \$400 million on the 2014-15 actual spend of around \$9.7 billion. The capital program will be supporting a number of jobs right across Queensland in a number of different communities. Across every area of government there are capital works being undertaken. Over \$600 million is going to be spent on new capital works in the education and training space which is going to be supporting over 1,500 direct jobs. A further \$1.38 billion will be spent providing infrastructure in the health and community services sector, supporting 3½ thousand direct jobs. More than \$2.4 billion is going to be spent this year improving the state's energy and water infrastructure, a spend that is going to be supporting 6½ thousand direct jobs. In addition, there is nearly \$4 billion to build and upgrade key transport arteries that are going to keep Queensland moving. This includes the commencement of major new partnerships with the Commonwealth including the upgrading of the Gateway Motorway north to six lanes, the commencement of the Toowoomba second range crossing and further duplication works on the Bruce Highway. It is unfortunate, I think, when it comes to infrastructure, for the LNP to try to make out that there is some kind of infrastructure freeze. As I said, even though there has been a slight improvement, overall these works, estimated to be worth \$35.4 billion over the next four years, shows that in both the general government sector and the government owned corporations sector that we have plenty on the go in Queensland. Any suggestion that there is an infrastructure freeze is completely absurd.

We do, of course, know there are a raft of new infrastructure projects that did not exist in the budget before the election of the Palaszczuk government because they simply were not priorities under the previous government. I am proud to say many of these new projects which are being funded for the first time are in regional Queensland which was, of course, I think fundamentally ignored under the previous government. When I look at some of them—I think we have \$90 million for two new Townsville schools, we have \$25 million for the Cairns Special School—something that I campaigned for long and hard and had actually announced to be funded in 2012 and sadly we saw no action on that in three years. There are many families in Cairns and Far North Queensland particularly who are very excited about the Cairns Special School and what that is going to be delivering.

I would also talk about the \$25 million for the development of the Yeppoon foreshore. In the same space, in Central Queensland there is \$15 million for the restoration and revitalisation of the Rockhampton riverbank. We can talk further: there is \$40 million for a western roads package that will keep local road crews on the job. People are very aware that in Western Queensland some councils have terrific ability and in-house crews to do road building and road maintenance. This \$40 million package may mean the difference between some of those crews being let go or not and, in some cases,

we will see new employment created. That is very important given that around 80 per cent of Queensland is currently drought declared. We need to do whatever we can to support those western councils.

Very famously, we have \$100 million on the table for a new Townsville stadium for my North Queensland Cowboys. I am very excited about the concept of that. They have to win a couple of games. They have lost a couple on the trot, as have the Broncos. This will be a very important injection into the Townsville community. It is more than just a stadium. If the planning is fully filled, we are going to be seeing potentially an entertainment precinct as well, which is a convention centre option that will have a year-round economic benefit to the community. We have \$30 million for a state netball centre in Brisbane, \$160 million for road upgrades on the Gold Coast in preparation for the Commonwealth Games, and \$180 million to refresh regional hospitals in places such as Caloundra, Roma, Hervey Bay and Gladstone.

Projects like those will be complemented over the next 12 months by the development of the first statewide infrastructure plan that we have seen in Queensland since 2011. We have heard all sorts of criticism in the past about our former infrastructure plan. Of course, not having had one for the last few years in Queensland has meant that we have been a little directionless in terms of where we are going, so I am very pleased to see that the Deputy Premier has flagged that that will be released in the early part of next year. It will be critical to the sorts of other investments we will see by private sector proponents through our market-led proposals initiative, as well as trying to tap into superannuation funds and what they have to offer in terms of supporting the growth of infrastructure in this state. We are very pleased that all of that work will have a very clear focus by Building Queensland. We are going to be running the ruler over those proposals, particularly those in the \$100 million-plus range. If we had had an entity like Building Queensland, we would never have seen the sort of debacle we have seen with 1 William Street, which will be an ongoing burden on Queensland taxpayers for many years to come. I will be giving an update, as will other members of the government, around the sorts of projects that we will be delivering as part of that infrastructure plan, but I can safely say in response to the suggestions in the media by the opposition that there is no infrastructure freeze in Queensland. We are getting on with the job of building Queensland.

**CHAIR:** Thank you, Treasurer. We will go to non-government questions now. I call the member for Surfers Paradise.

**Mr LANGBROEK:** My question to the Treasurer is about his comments about the ratings agencies, Moody's and Standard & Poor's. I am looking at the bulletins from both of them. I ask him to confirm whether it is the case that both Moody's and Standard & Poor's have said that the state's fiscal position is actually weakening over the forwards?

**Mr PITT:** What we saw from the ratings agencies was a very clear understanding of what we would be looking at. In terms of our fiscal position, we know that the ratings agencies have issued commentary post budget. I should preface my statements by saying that I visited both Standard & Poor's and Moody's prior to delivering the budget to give them a confidential briefing about what they should expect to see on 14 July, as well as some of the proposals that we would be investigating going into the midyear review. In that regard, we have engaged with the ratings agencies pre-budget. We have seen their statements made after the budget in terms of media commentary. We have met individually with them as part of our annual meeting process to go through, in a very detailed way, all of the elements in this budget and that has been important. We want to ensure that we have ongoing engagement with them to understand how we will be able to continue to work towards an improvement in our credit rating.

In terms of the fiscal position, as I have said earlier, very clearly the fiscal balance is something that has been referred to on many occasions by yourself. I want to be clear that we do not disregard it completely. It is, of course, a very useful indicator to see what is happening, but it is not the primary measure that we are going to be using in terms of our position in Queensland. Clearly there is some deterioration with the fiscal position in Queensland, but much of that can be related in terms of what has happened with the writedown in royalties and other elements related to the timing of Commonwealth payments regarding the NDRRA. Those elements have contributed to a deterioration and both of those things are outside the control of the Queensland government. I would argue that, of course, if the former LNP government had won office again, they would be facing exactly the same deterioration of the fiscal position that we have experienced here. Our challenge has been to work through that and to look at all options available to us. That is what you have seen presented in the 14 July budget.

**Mr LANGBROEK:** We had an improving fiscal position, which is why we were producing fiscal surpluses. My question now is a further discussion about the credit rating—

**Mr PITT:** I should say that you were projecting fiscal surpluses.

**Mr LANGBROEK:** Treasury officials had given us that advice, that we could project those.

**Mr PITT:** With the commodity prices crashing as they have and with the timing of those payments from the Commonwealth, it would be absolutely certain that the fiscal surpluses that had been forecast by the former government would not have been achieved as well.

**Mr LANGBROEK:** We had \$6 billion of writedowns, Treasurer, and you have said that you have 3½ million—

**Mr PITT:** If we are talking about writedowns, we had about \$9 billion of writedowns between the global financial crisis and the summer of natural disasters. I tried to make that point several times over the previous three years and it was ignored by the former government.

**Mr LANGBROEK:** I am happy to take that point.

**Mr PITT:** Clearly, there are many occasions where circumstances outside the control of the government can produce shocks. We have to make sure that we move through that.

**CHAIR:** Before the member for Surfers Paradise goes on, I welcome Mrs Tarnya Smith, the shadow minister for Aboriginal, Torres Strait Islander and multicultural affairs and the member for Mount Ommaney. The committee has given leave for the member for Mount Ommaney to participate in the hearing today. I welcome her. I call the member for Surfers Paradise.

**Mr LANGBROEK:** Thank you, Madam Chair. My next question comes back to a document that I know the Treasurer is familiar with about myth busters, where you talk about the credit rating. Your quote was—

MYTH: Our reduced credit rating is no big deal.

FACT: The credit rating is a big deal...

I feel like I am in *Anchorman*, listening to that quote. Today you say that whilst it is a big deal, it is not that big a deal.

**Mr PITT:** Let us put a few things on the table. Let us bust a few myths about Mythbusters. This seems to be only thing that the former Treasurer ever had to talk about, because clearly we were making too much sense on a range of other things that we discussed. Obviously there was a very famous election held in 2012 where people passed judgement on the former government. We lost that election. It was a significant electoral defeat. After that election we figured out what we did not do well and we also recognised that we did some things well and needed to ensure that we did not throw the baby out with the bathwater. All of the statements made prior to that—and that is historical; I think you should also talk about the date attached to those documents—were accurate.

**Mr LANGBROEK:** September 2009. I am prepared to acknowledge that, Treasurer.

**Mr PITT:** They were accurate and are still accurate. Since that time, and I mentioned this in an earlier response, in its latest review of state finances Treasury has clearly said that at this juncture trying to seek a AAA credit rating is not the best course of action. Is it desirable to have an improved credit rating and outlook? Of course it is. I mentioned that earlier. The fact that we have been able to hold our ground where the ground is shifting in other jurisdictions such as Victoria and Western Australia is a real achievement in the current environment. I will not go into what happens in the private sector and how many of those firms, particularly very large firms at that, do not have AAA credit ratings. The point is that in Australia we are very fortunate to have a AAA credit rating at the federal level which, of course, happened under a Labor government. I have said on numerous occasions how important and desirable it is to seek to attain a AAA rating again, but not at any cost. I think that is the point that I will continue to make. Based on the advice in the review of the state finances, that is not where we need to be tracking. There are things that we must deliver in the very fast-moving global situation at the moment. There is a lot of activity happening in terms of the global outlook. Our role is to consolidate and ensure that we are doing what state governments should do and particularly what Labor governments always try to do, which is to provide essential services in areas such as health and education. That is what we have done with this budget, with a record health budget of \$14.2 billion and a record education and training budget of more than \$12 billion. I am going to be discussing these things with the federal Treasurer this Friday. We still have some very serious things to work on, which is to try to get \$18 billion worth of health and education funding restored. That is going to be our primary motivation, as well as keeping pace with the infrastructure demands of Queensland. All of those things are important. It is not

a matter that we need a AAA credit rating tomorrow. When Treasury advice is that that is not the appropriate course of action at this time and that it could be attained over a longer period, that is what we will be doing. It is desirable but not essential, and I have been consistent with my messaging around that.

**Mr LANGBROEK:** Thank you, Treasurer. In your answers to government questions without notice a few minutes ago, you referenced election commitments. I refer you to pages 127, 128 and 129 of Budget Paper No. 2, which is all about dividends and revenues. Is two-thirds of revenue from those government owned corporations going into a debt reduction trust to pay down debt?

**Mr PITT:** I will make a couple of points on this. I have already in part answered this question. When we looked at our approach to debt reduction at the election, we took a plan that included the merger of government owned businesses over the forward estimates and using those efficiency savings to reduce general government sector debt. Of course, beyond the forward estimates it was going to be about using the dividends. It was projected that we would use two-thirds of dividends to reduce general government sector debt going forward. That was about meeting our public targets of \$5.4 billion over six years and \$12 billion over the decade. The approach that we were taking was not about the mergers themselves and what composition of those businesses were merged. Again, the end game was about the reduction of general government sector debt. The fact that we have been able to reduce that over the forward estimates by \$9.6 billion over a four-year period, well on the way to meeting a 10-year target of \$12 billion, means that we have been successful in achieving that outcome. I do find it somewhat fascinating that you are asking me questions about what we should or should not be doing with the dividends of these government businesses that you, along with everyone else in the LNP, wanted to sell. Ultimately, if we are going to be talking about—

**Mr LANGBROEK:** No—

**Mr PITT:** I will continue my answer.

**Mr LANGBROEK:** But what we are asking is that you should do what you said you would do at the election and what you are doing subsequently is not what you said you would do at the election.

**Mr PITT:** Our commitment was to reduce general government sector debt over the forward estimates of around \$400 million over six years, of \$5.4 billion—

**Mr LANGBROEK:** *Our State. Our Assets* does not apply, because you said you had found a roundabout way of doing what you said you would do, but it is not what you said you would do at the election. Is that acceptable?

**CHAIR:** Please, member for Surfers Paradise, allow the Treasurer to answer the question.

**Mr PITT:** One thing that the member should understand is that since the election it has been made very clear by the Australian Energy Regulator that there has been a shifting in terms of their position and what should happen. The ability of our government owned electricity businesses to yield the same sorts of profits that they were yielding, of course, has been curtailed by the AER. Very clearly, that is not within the control of the Palaszczuk government. It is important to note that the whole point of the document that you just referred to, our election commitments, was about reducing general government sector debt, as I have explained. Second was the retention of those government businesses in ensuring that we use the dividends from those businesses, which can only be yielded and utilised for debt repayment or increasing services—any of those things—if they are retained in public hands. I find it galling that there is any suggestion about what we should or should not be doing with these businesses and what we should be using these dividends for when under the LNP's plan we would not own those businesses and there would be no dividends. You are trying to split hairs.

**Mr LANGBROEK:** No. I think it is galling that you said that you would do something before the election and have subsequently done something completely different. The AER was always going to report. You would have—

**Mr PITT:** No, let us be clear about this, member for Surfers Paradise. The name of the document you have referred to is 'Our state. Our assets. A better way for Queensland.'

**Mr LANGBROEK:** And today you said you might sell them.

**Mr PITT:** We retained those businesses in government hands. Your plan was to divest those businesses. That is point No. 1. We have met our election commitment well and truly by stopping the mass privatisation—the \$37 billion mass privatisation program. I should also say that the jury is still out in terms of what the reaction of credit rating agencies would have been to the former government's plan. There is no guarantee in any way that that would have yielded a AAA credit rating. I can say that when you would sell down those businesses, lose those ongoing dividend streams—

**Mr LANGBROEK:** Which you are declining—

**Mr PITT:**— which was going to be happening under that plan—and then go out and propose to spend \$8.6 billion on capital and then spend an additional \$3 billion on trying to make up for the previously failed electricity savings promise—

**Mr LANGBROEK:** We will never know, Treasurer, will we!

**Mr PITT:** And I am very thankful that we will not because obviously Queenslanders have spoken on that issue. I come back to the point again that those businesses and their dividends have mostly related to what is happening in terms of the AER. The fact is that if they have changed their position in terms of what those businesses are able to bring back then that is the current state of play. There is no point complaining about it.

What we are doing is getting on with an approach that actually reduces general government sector debt far in advance of what we committed to at the election. I have never seen anyone challenge not just meeting an election but more than meet it and try to find fault with that.

**Mr LANGBROEK:** Only because you are raiding long service leave and contributions to super. It is not what you said you would do at the election. I think it is fair enough for us to question that.

**Mr PITT:** I am happy that you raised that. What we did say at the election was that we would get Treasury to undertake a review of state finances, which they did. We did not outsource that to a former Liberal Party treasurer—

**Mr LANGBROEK:** And to Sandra Harding and Doug McTaggart. Why do you smear their characters as well in your assertions?

**Mr PITT:** We asked Treasury to undertake a review of state finances. Very clearly in that document there were some measures that were suggested that could be options for the government, which we have taken up. Because of the shifting of the approach by the AER and how that determination was going to impact businesses, because of the fact that we are not selling our assets—like you wanted to do—and because of the fact that we are not going to be undertaking a mass program of redundancies or cutting government services then filling in the holes left by the previous government in terms of growth funding, particularly in areas like health, it is important to look at all of our options.

I think what we have done is produce not just a budget that delivers on all of those fronts but has exceeded people's expectations. The fact is that we have met our election commitments. We have very good reasons why it is has not been the exact approach contained in that document. Most of those factors are outside of the government's control. We have not broken a commitment. We have kept our assets in public hands. We have paid down general government sector debt. They are the principal factors behind the plan that you held up earlier.

**CHAIR:** Can I interrupt and point out before there are further questions that we are now at that part of the hearing schedule which allows us to also examine that part of the Appropriation Bill which relates to the Department of Aboriginal and Torres Strait Islander Partnerships. There is time for one more non-government question. Will the member for Mount Ommaney or the member for Surfers Paradise be taking that question?

**Mrs SMITH:** I will be. My question is to the Treasurer. I refer to your response to government question on notice No. 7 regarding the Stolen Wages Taskforce. What agreement is in place between the government and the Council of Unions to undertake the work of choosing a task force?

**Mr PITT:** I welcome the member to the committee hearing. As I have remarked on a few occasions, I think you are approaching the role with the greatest of respect. It is a very important portfolio area. I would remark that it is a shame that we do not have longer than half an hour to delve into these matters. We used to allow around half an hour to look at the Family Responsibilities Commission alone. Obviously that is of concern.

In terms of the Stolen Wages Taskforce there are a few things to say. This commitment around establishing a new \$21 million fund is something that has been very welcomed by Indigenous people right across Queensland. I was actually the minister for Aboriginal and Torres Strait Islander partnerships under a previous government which was involved in explaining why QATSIF was established and explaining how the previous fund had been wound up. There are many occasions where I have been on the record talking about exactly how and when that happened.

The Queensland Council of Unions has been very consistent in their view about the fact that this fund needed to be reopened. There is a weight of evidence from Indigenous Queenslanders who have said that they thought there was still unfinished business. Obviously the issue around wages that were

withheld by previous governments in Queensland is a very sad part of our history. What we are trying to do with this fund is establish a new opportunity for people who have either previously applied and not been given the opportunity or been paid what they believe they are owed.

We have deliberately set up a task force. I have announced that it will be headed by Mick Gooda, the Social Justice Commissioner, who is very well respected. He will be undertaking this work leading the task force. It is commonly remarked that people are very pleased that a task force will be advising government about the credentials people will need to provide to government to ensure they give consideration to receiving some form of reparation.

It is being driven by people on the task force who have been chosen from right across the state. Those members of the task force will be providing advice to government. They will be meeting each month for the next three months to do further consultation work. Without telling that task force what to do—and that is not the approach; it is for them to advise me as minister—I know that the feedback about past schemes has been that some people did not have the level of evidence required under the previous schemes. The qualifiers were too tough in some respects, whether it was through lost records or otherwise.

A range of things may be considered by this task force. It could include people being able to give oral testimony where in the past that has not been a suitable level of evidence. There may be other things besides cash reparations which could be afforded to people, particularly in those circumstances where family members may have passed on.

They have a very broad remit to look at the different criteria that should be considered for people to be successful in making a claim under this new fund. Ultimately, it is a very important fund that we are proud to be reintroducing. It is a \$21 million fund. I want the first payments to hopefully be considered by the end of this year, all going well, clearly because there are a lot of people who are old and frail and may of course not survive for a long time. We want to ensure that they have the opportunity to come back into the scheme once it is reopened.

It is a matter that we are taking very seriously. I think it is in good hands with Mick Gooda. Your question really was about what role the Queensland Council of Unions would have. I would say that they have been a consistent advocate for the reopening of this scheme. That they have tried to push all sides of politics to reopen the scheme says that it is nothing to do with the Labor Party. It is all about them seeking social justice for people who have wages withheld.

**CHAIR:** We will go to government questions.

**Mr PEGG:** Treasurer, can you please provide an update about the role of DATSIP in influencing whole-of-government policy to maximise outcomes for Aboriginal and Torres Strait Islander people and communities?

**Mr PITT:** Thank you to the honourable member for the question. I think it is very important to look at what happens in communities right around Queensland. I make this point quite often. DATSIP, as an agency, is a central agency of sorts. Of course, we have DPC and Treasury, but the role of DATSIP really must be a department that has the same degree of influence right across government.

I was previously a minister for this portfolio. At that time I was a junior minister. I have always believed that it is a portfolio that should be with a senior minister. That is why I put my hand up to have it again now that I am Treasurer. I believe that the combination of having the Treasury portfolio as well as the Employment portfolio as well as the Aboriginal and Torres Strait Islander Partnership portfolio will afford many opportunities to have, hopefully, more things happen more quickly and to get traction on issues that we may not otherwise have had. I have certainly tried to make that very clear to DATSIP as an agency. I should welcome the new director-general of the agency, Clare O'Connor, to her role. I am looking forward to working with her to deliver on many outcomes.

There is a significant reform agenda across the whole of government that must be considered as part of this process. We have child and family reforms arising from the Queensland child protection commission of inquiry. We have the development of a response to the report of the Domestic and Family Violence Taskforce—*Not now, not ever—Putting an end to domestic and family violence in Queensland*.

We are also making preparations for the implementation of the National Disability Insurance Scheme. There is an overrepresentation of people from Aboriginal and Torres Strait Island backgrounds with disabilities as well as mental health concerns. That is going to be an important body of work, particularly delivering that scheme into regional and remote parts of the state.

I lamented the fact that Queensland was the only jurisdiction that did not have a National Disability Insurance Scheme trial site. Why that is important was not just because we were the only ones not to have one; it was important because the learnings from Queensland in delivering that to Indigenous communities in remote parts of Queensland is something fairly unique in terms of the implementation of that big and important new national scheme.

The interdepartmental committee on the domestic and family violence and senior officers group is something that the new director-general will be playing a role in. The child protection reform leaders group is going to be important across government. As I said, the leadership role that this agency can play I think is critical. We want to ensure that we elevate the status of this department to ensure that it is a go-to place right across government for matters pertaining to good outcomes for Aboriginal and Torres Strait Islander people in Queensland.

**Mr CRAWFORD:** You mentioned before the Family Responsibilities Commission. With respect to page 21 of Budget Paper No. 4, can you provide an update about the role of the Family Responsibilities Commission within the welfare reform initiative?

**Mr PITT:** Thank to the member for Barron River for the question. I have been there for several different iterations in terms of the Cape York Welfare Reform. I was involved when I was a public servant when that was still in its trial phase and certainly as a minister under the former Labor government and now again as the minister. The Family Responsibilities Commission is a very important part of the welfare reform initiative. I certainly know that it supports families and individuals provide improvements for their lives in terms of rebuilding their communities, establishing and re-establishing, in some cases, local authority and improving opportunities, both economic and social, into those communities. It is having a positive impact.

People in the communities involved are taking responsibility for their lives. They are pursuing opportunities in education, employment and building functional families and community units. I am pleased to advise that the funding of \$28.6 million over four years has been approved in this year's budget. The commitment made by the Palaszczuk government does provide certainty to this program.

I have sat on both sides of this desk talking about this initiative. Since its inception, it has been quite an expensive exercise. But what it has done is provide a range of learnings. Legislation has been put into the House, even under the former government, which we certainly supported, related to options for providing potential expansion of this program to other communities. The Family Responsibilities Commission is important to the welfare reform initiative. But the broader welfare reform process and the learnings from that have application right across communities.

For those interested communities who would like to opt in and pick up some of those vehicles and learnings, we are very keen to work with them, because what we know is that there have been some great successes, particularly in things like school attendance where you see parents walking their kids to school and getting involved and sitting in the classroom and delivering great things. Those are the sorts of participations in community that we have yielded from this process. It has been, I think, money well worth spending over the years.

We know that this program is going to continue. The original communities of Coen, Mossman Gorge, Aurukun and Hope Vale have been there since the inception of the trial. Doomadgee came in as an additional community. We are trying to work with the federal minister and the federal government more broadly to ensure that we can have the Family Responsibilities Commission, including issues around income management, brought into that community. That has also been a very useful tool to help in some cases community members really change their lives.

We think that the FRC has a great role to play. I have the utmost faith in the commissioner, David Glasgow, Rod Curtin and the team at the commission. They have done great work over the years. We expect that to continue and that is what this funding does. It provides certainty of that funding over the forward estimates.

**Mr CRAWFORD:** Treasurer, with reference to strategic objective 4 on page 4 of the department's SDS, can you provide an update on how the department-run retail stores are ensuring that communities have access to affordable commodities and fresh produce?

**Mr PITT:** I thank the member for the question. The government owned retail stores are very important in the communities involved. There are six retail stores owned and managed by the Queensland government. They are in the communities of Doomadgee, Kowanyama, Pormpuraaw, Lockhart River, Palm Island and Woorabinda. These stores have a very important role to play in terms

of running as a commercial business with no operating support from the government. They do trade on a not-for-profit or for-loss basis. But all operating profits from those stores are reinvested into the group via working capital and retail infrastructure.

The stores are industry standard retailing facilities that are really about trying to have the latest technology and be fully compliant with all regulatory standards and legislative requirements. One of the success stories of these stores is that they do continue to provide commodities and fresh produce at the most affordable rates possible. This has been achieved through a combination of strategic supply chain alliances and an innovative approach to distribution.

The stores are also a major source of employment in the local communities. It is important to note that these stores do not just operate in isolation; they are a collective and are part of a broader group. On the employment side, 86 per cent of the store based employees are local people. The government appreciates the longstanding desire for communities to have a greater say in the way that the stores are run and potentially have ownership of those stores going forward.

When we had our round table on Palm Island, I met with the mayors and CEOs of the communities involved in the retail stores initiative to talk to them about what options there were going forward. It is not a new question. The idea of those communities having a much greater say and potentially ownership of the stores was something I was considering under the previous Labor government. Certainly I am wanting to fulfil our commitments to continue that process. We have very positive engagement with those communities, with the mayors and CEOs, about what sorts of models could be put forward and we will be providing a paper to those communities for consideration.

It is also important to note that the government has a role to play in terms of the Islanders Board of Industry and Service, the IBIS retail stores. There are again some learnings or even some key logistics and warehousing solutions that may also be able to be brought together to further enhance the benefits that these retail stores offer the communities that they are in. We are looking at all of those arrangements. But I know the desire of those communities to have a greater say in terms of what these stores do and how they operate, and that is something we are exploring.

**CHAIR:** We will go to non-government members. I call the member for Mount Ommaney.

**Mrs SMITH:** Going back to the task force and the setting up of the task force, Treasurer, I will ask you again how much involvement does the Queensland Council of Unions have in the task force selection process? Do they have access to people's personal details? Do they have access to any of that information and what would they be doing with that? Will they be retaining that?

**Mr PITT:** I have to say, member, I thought the original question was one that was about what involvement they had and their commitment to the issue. This has now become a continuation of a line of questioning we saw earlier regarding union encouragement—and I think at the next session we can talk a little bit more about those issues. No doubt the member for Mansfield will be here to talk to them.

With the task force itself, there has been a very open process, an advertised process, of selection to determine who may nominate. There is obviously a range of people from across Queensland who have put their hands up to be involved in the task force. I think it cheapens it somewhat to be suggesting that there is some undue influence by the Queensland Council of Unions. What I will say is that, as part of a consultation process, they did help facilitate some processes around the state because of their long-running engagement and interest in this subject matter. That is what they did. I think they assisted the department and they assisted those communities to help flesh out some of the issues of concern.

Whilst we will have a task force, which people will be appointed to and have been appointed to on the basis of their interest and their expression of interest through an advertised process, we will also have the ability for individual communities to nominate someone, particularly councils, who will be a liaison between the task force and the local community to ensure that we have as many people as possible spreading information about the appropriateness of the selection criteria or the criteria to apply, as well as ongoing communication to tell people when the scheme is opened and any work that people can do prior to the scheme opening, including getting together a body of evidence and speaking to communities and family history units within government to help provide the information or the evidence.

**Mrs SMITH:** Does the Queensland Council of Unions get access to people's personal details or information?

**Mr PITT:** I am absolutely floored by the question that you are in some way trying to tie in—I know this has been an ongoing line of questioning both in terms of the House as well as this morning from the opposition leader. It is a shame that you have brought this line of questioning in because—

**Mrs SMITH:** It is a simple question.

**Mr PITT:**—it has no relevance.

**Mrs SMITH:** But it does have relevance.

**Mr PITT:** It has no relevance whatsoever to the initiative of reopening a \$21 million fund to support people to apply for reparations of stolen wages. I actually find it astonishing that you are trying to somehow link the QCU's long-running involvement in this issue both attacking a former Labor government and certainly attacking your former government around the fact that this scheme in many people's eyes was prematurely closed. What we have done is spoken to people across Queensland and very seriously taken on their concerns about reopening the fund which we have done.

The Queensland Council of Unions have been long advocates and they have been assisting in the process, but this has nothing to do with people's information being transferred. I think you either have your own wires crossed or alternatively you have been given a question to ask which I think does an absolute disservice to the \$21 million fund that has been re-established.

**Mrs SMITH:** Treasurer, do Aboriginal and Torres Strait Islander people need to belong to a union to access the fund?

**CHAIR:** I think the member for Mount Ommaney has pushed this issue enough. I have allowed the non-government members a little more time than was allocated in this session. I suggest that you go to a new set of questions. I think we have covered this issue.

**Mrs SMITH:** Thank you, Chair. Let's go to your response to a question on notice regarding the jobs target for Aboriginal and Torres Strait Islander people. This government's target of 400 is way below what the previous government achieved of 980 jobs. Why do you have such low expectations of the job creation strategies? Treasurer, I would also like to just point out that—

**CHAIR:** We will just have one question at a time.

**Mr PITT:** If it is related, I am happy to take it from the member.

**CHAIR:** Is this a related question, member for Mount Ommaney?

**Mrs SMITH:** Yes, it is. It is in relation to the fact that our government estimated 300 jobs and we achieved 980. You have then referred to your 400 target as being a 33 per cent increase, but again the figure that was reached was 980. So it was almost triple under the previous LNP government.

**Mr PITT:** Let's start with the question on notice and the response. I have outlined the government's response to your question. I will reiterate that in 2014-15 the Newman government set a target of 300 jobs for Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse backgrounds. In 2015-16 the Palaszczuk government is targeting 400 jobs which is an increase of 33 per cent on the previous government's target, which was about both Indigenous people and people from culturally and linguistically diverse backgrounds. The Indigenous component of the 300 jobs target was obviously not 300. The fact is that this is a target of 400 jobs, an increase of 33 per cent on the previous target. Any time you are increasing targets by 33 per cent is a good outcome. But this is all about Indigenous Queenslanders and not people from culturally and linguistically diverse backgrounds. As you would be aware, DATSIP is now a stand-alone agency and the multicultural affairs portfolio is no longer included. This target of 400 is a target for Indigenous Queenslanders, not for people from Indigenous backgrounds and other culturally diverse backgrounds. I think you are mixing up what was a target under the previous government with what we are putting forward under the Palaszczuk government.

We know that, whilst you are asking questions about these employment targets—there is a range of issues that we are grappling with but also programs that we are looking forward to implementing. They include programs like the Youth Employment Program, or YEP, which I announced earlier this year, and that is aimed at engaging and improving employment opportunities for Indigenous young people who are finishing year 12 and ready for the next chapter of their lives. Would we like to meet the actual outcome—again, we are talking about forecast versus actual—that we saw under the previous government? Absolutely. But the target itself is not just a 33 per cent increase on the former target which was a dual target. Again, it was an increase on the Indigenous component of that. That is a significant increase. We hope to be able to meet that and better it.

While we are talking about the importance of employment, I reiterate that the fact that I am the Treasurer and have the employment portfolio as well as the Indigenous portfolio is no accident. The No. 1 role not only across Queensland but also even more concentrated in Indigenous communities is

the importance of employment. If people have a steady income and they have a semblance of routine for their children in their home, it is a very important part of helping to continue to get better outcomes for First Australians. That is what we are trying to achieve through this process.

Your question I think is trying to mix up different targets, different estimates and different forecasts. That is exactly what the previous target was. It was a combined target. Our target is a stand-alone target for Aboriginal and Torres Strait Islander Queenslanders and that is a target that we want to more than exceed. I reiterate that I think the question is somewhat misguided because you are trying to confuse what was a target under a previous agency which also included the multicultural affairs portfolio and the outcomes you were seeking to achieve.

**CHAIR:** The committee will now break for 15 minutes and will resume at 6.15 pm.

#### **Proceedings suspended from 5.58 pm to 6.13 pm**



**CHAIR:** The committee will now resume its examination of the portfolio of the Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships. I welcome back to the hearing Mr Ian Walker MP, who is the shadow Attorney-General and shadow minister for justice, industrial relations and arts and member for Mansfield. This session we are also able to consider that part of the Appropriation Bill that deals with employment and industrial relations. I call the member for Stretton.

**Mr PEGG:** With reference to page 11 of the SDS can the Treasurer inform the committee of the steps government has undertaken to reintroduce employment security for public sector employees in the Public Service and in government owned corporations?

**Mr PITT:** I thank the member for the question. Certainly the previous LNP government did not show a great deal of respect in terms of the way it dealt with the government workforce in the previous three years. That was certainly commenced with a pre-election commitment that government workers had nothing to fear. Very clearly we saw a mass program of redundancies undertaken right across Queensland. This was also about looking at not just those people who were public servants but also those in government owned corporations as well. We know that the former government took a very ideological approach to industrial relations. From memory, no less than 12 times over the previous three years they made changes in the industrial relations space to legislation which showed just how adamant they were about making changes to the industrial relations framework for public sector workers and government workers in Queensland.

We certainly committed to restoring fairness for government workers so they can get on with the important jobs of delivering services for Queenslanders. Under our pre-election commitment, which was about restoring fairness for government workers, we pledged to reinstate employment conditions for government workers that were lost as a result of changes made by the former government, including changes made to the Industrial Relations Act 1999. Those changes ousted a range of employment conditions from industrial instruments such as employment security and obligations for consultation about organisational change. The former government certainly did attack employment security for public servants just as they attacked the independence of the Queensland Industrial Relations Commission by forcing it to consider the fiscal strategy of the government of the day as part of the public interest in wage arbitration matters. They certainly attacked employment security by diminishing the standing of the QIRC as a layperson's tribunal by allowing employers to be legally represented in almost all circumstances and placed a raft of prohibitions and qualifications on what consenting parties in the QIRC could include as content in modern awards or certified agreements.

The Palaszczuk government overturned that unfair legislation through Our Industrial Relations (Restoring Fairness) and Other Legislation Amendment Act, commencing on 11 June 2015. Amongst other things, the amendment restored the conditions of employment in awards and agreements for state government employees that were made unenforceable by the former government. The conditions rendered unenforceable by the previous government's amendments included protections around job security and contracting out for government services, around union encouragement, around organisational change and about policy incorporation. It went further to look at private practice for relevant medical staff, resource allocation and restrictions on termination, change and redundancy provisions. The government's amendments also removed prohibitions and qualifications on content that can be included in modern awards or certified agreements that remove the requirements to complete award modernisations by 2015. In addition to our considerable suite of legislative reforms, administrative measures have also been implemented to give effect to the government's industrial relations agenda including repeal of the Public Service Commission directives which attacked

protections around employment security and the contracting out of government services and, of course, also the release of government policies on employment security to cover Queensland government agencies and union encouragement for the Queensland public sector with forthcoming protections against contracting out of government services. These policies not only cover the general public sector, but also government owned corporations by the GOC wages and industrial relations policy. The legislative amendments and policy decisions taken by the Palaszczuk government certainly do take an axe to the former government's harsh and punitive arrangements in the industrial relations space.

The full measures that I have outlined are importantly strengthening the ability of government workers to impartially provide fearless and frank advice to government without fear of losing their jobs in the process. We are very proud to have delivered on this. It is clearly a massive issue for so many Queenslanders, not just those people who were directly affected by the approach and loss of job security and, in many cases, loss of jobs, but also other members of the community. We are very proud to have been able to restore those conditions, not just in the general Public Service, but also in government owned corporations.

**CHAIR:** Thank you, Treasurer. I call the member for Barron River.

**Mr CRAWFORD:** With reference to page 12 of the SDS, can you inform the committee of the government's revised approach to enterprise bargaining within the public sector and advise of any success to date?

**Mr PITT:** Thanks to the member for Barron River. This flows on a little bit from the previous response in terms of government owned corporations. The whole-of-government wages policy for departments and GOCs was approved in April 2015. The policy provides for increases of 2.5 per cent per annum and the restoration of entitlements which were removed under the previous government. It is interesting that the former LNP government's fiscal reform blueprint document, which was tabled—it was an incoming government brief of sorts. I guess it was the 2012 equivalent of the Review of State Finances, which is also produced by the Treasury and was then superseded by the Commission of Audit, and we all know how that played out. In that blueprint Treasury recommended that—

The 2.5% wages policy is appropriate having regard to Queensland's budget circumstances. ... Arbitration will in all likelihood produce outcomes that will have significant adverse ... consequences.

This is about whether the former government decided to take advice on that wages policy, what approach and what was fair and reasonable. Did they do that? No. Instead they offered 2.2 per cent to public servants and in most cases attached additional and harsh punitive demands related to those offers. That is the context in which we came into government. Very clearly the independent Treasury recommended to the previous government in 2012 as well as speaking to the new government around what would be fair and reasonable. That is why we have a 2.5 per cent wage offer on the table.

Of course, when the Public Service did not accept these very harsh conditions, the LNP sought to tie them up in legal battles and were wasting taxpayers' dollars to fight public servants getting a fair deal. We think this new policy is fair and reasonable. Negotiations for looking at and settling enterprise agreements that have been locked in arbitration, sometimes for years, have been a key part of the work that I have done as industrial relations minister since coming to government. Very clearly, preparing the budget has been a major exercise. Unscrambling some of the damage that had been done to public sector workers and government workers in Queensland has also kept me quite busy. This is important work and there are some very important outcomes that people have been seeking. We are doing our very best to make those happen as quickly as possible because it has been a difficult few years for government workers.

We certainly are continuing to consult with employees and relevant unions about the core agreement and certainly around things like TAFE Queensland's agreement. Both of those matters have been subject to protracted arbitration activity. Again, this is what Treasury had warned about, that arbitration in itself could be a major concern and could have severe consequences. These things have been tied up for some time.

Of course, negotiations for a replacement agreement for health practitioners was yet another one that was stuck in arbitration with the previous government. I am pleased to advise that, due to this government's revised approach to enterprise bargaining, an in-principle agreement of 2.5 per cent per annum wage increase and agreed terms and conditions has now been struck. This agreement is also going to include dental officers. The health practitioners and dental officers award is to be modernised by the QIRC by 31 October 2015. The new agreement can be considered by the QIRC for certification once the award modernisation has been completed.

Very clearly, these issues are matters that have been of major public debate. We have certainly seen what happened in terms of health practitioners and we have recently restored the rights of SMOs to have a say in their industrial conditions and collectively negotiate matters important to them. I am certainly also pleased to advise the committee that a new senior and resident medical officers agreement has been completed with settled employment conditions and private practice arrangements. These negotiations were completed by 31 July 2015. Accordingly, our medical officers will be provided with a 2.5 per cent wage increase from 1 July 2015. The QIRC will be modernising the medical officers award including senior medical officers to be completed by 30 September 2015. The medical officers agreement can then be considered by the QIRC for certification once the award modernisation has been completed.

In answering the member's question, there has been much happening. There have been some good outcomes already under this government and, of course, there is more to come. We will continue to engage with government workers to ensure we are providing them with an opportunity to collectively bargain as an employer. As the employer of these government workers, we have the responsibility to provide the fair and open process to allow that to happen. We believe that we are striking the right balance in terms of restoring previous conditions and putting a very fair and reasonable wage offer on the table. We know that that is a very important part of the relations side of industrial relations with the public sector in Queensland.

**CHAIR:** I call the member for Barron River again.

**Mr CRAWFORD:** With reference to page 11 of the Queensland Treasury SDS, could you provide an update on workplace injury numbers in Queensland and what the department is doing to assist in reducing workplace injuries?

**Mr PITT:** Thank you for the question. Certainly we do believe that each and every worker in our state has the right to return home to their family and friends at the end of the day. The state government certainly wants Queensland to have the safest workplaces in Australia. That is why we are committed to cooperatively working with businesses to help them identify and manage risks to safety and identify innovative new strategies to improve safety and compliance. The use of traditional inspections and audits, notices and prosecutions to address non-compliance with work health and safety laws in conjunction with providing advice and information has always been part of the approach; it has always been part of the core duties of Workplace Health and Safety Queensland. The tool kit of approaches has been successful in achieving reductions in workplace related injuries and certainly, very importantly, fatalities as well. However, we certainly recognise that in order to continue to build on this success, we do have to have a sophisticated range of strategies to improve compliance. As a result, Workplace Health and Safety Queensland has broadened its service delivery approach by also focusing on being a facilitator or an enabler that collaborates with business, industry associations, WorkCover Queensland as well as other safety regulators. This is all about improving the safety, productivity and competitiveness of Queensland businesses.

This approach has delivered a number of collaborative initiatives in our approach in terms of improving safety outcomes. It remains, of course, supported by strong enforcement and compliance in terms of sanctions to ensure that health and safety laws are complied with in Queensland. An example of the facilitated and cooperative approach is the Small Business Program which provides free, easy-to-use services to help small businesses manage health and safety. In 2014-15 advisers conducted 151 workshops, 283 free workplace consultations and delivered presentations and group coaching right around Queensland. The Small Business Program also partners with industry bodies to provide joint services to the small business members. In 2014-15 it conducted 17 workshops for small businesses in the high-risk construction sector.

The Injury Prevention and Management Program, or IPaM, is an initiative that works with selective businesses to ensure that they have the systems in place to prevent workplace injuries. If people are injured, it is about ensuring that people return to meaningful and appropriate work as soon as practicable. To date, around 200 businesses have completed the initiative with a further 511 businesses currently working with advisers. Our workers compensation data shows positive trends for IPaM participating businesses in reducing their injury claims and costs as well as reducing overall costs to the scheme.

The Safety Leadership at Work Program, another approach, is designed to reduce workplace related injuries and fatalities in Queensland workplaces by developing safety leadership capacity and building an improved safety culture. At 30 June 2015, there were 755 members from over 390 organisations participating in the program's business-to-business engagement format, which is about

learning from others to develop their safety leadership skills. In addition to these programs, Workplace Health and Safety Queensland is developing industry action plans for the four priority industries which have higher than average workers compensation claims for serious injuries and workplace fatalities, which of course are manufacturing, construction, agriculture and transport. These are very important measures that ensure that we have improved workplace injury results in Queensland. It is absolutely critical to ensuring that we are as committed as possible to providing the safest workplaces and allowing workers in Queensland to safely head home at the end of the day to their family and friends.

**CHAIR:** We will go to non-government questions. I call the member for Mansfield.

**Mr WALKER:** Treasurer, you indicated in the session just before the break that you expected that I might deal with the union encouragement provisions, and I am not going to disappoint you. I refer you to page 11 of the SDS in relation to industrial relations policy and services and to your answer to the non-government question on notice No. 8. In that answer, Treasurer, you state that legislative changes to industrial instruments require new employee details to be passed on to relevant unions. Can you tell me what happens to existing public servants, not new ones, who are not members of unions; are their details caught up in this as well and are they passed on?

**Mr PITT:** In terms of how that is running operationally, I will refer to the Deputy Director-General to answer that more specifically. I mentioned the fact that union encouragement is not new; it is something that is all about ensuring that people have the option. This is well worn territory in the House, and even today we have had a lot of questions about these matters.

Importantly, our policy is about alerting new starters to the right to choose whether they do or do not join a union. Clearly this is something that we have strongly believe in. As the employer, we have to be responsible. We like to think that we are doing good things in terms of setting conditions right in terms of the workplace environment, job security arrangements and putting a good wage offer on the table. If we were not such a good employer we would want to ensure that those government workers had the ability to be represented, were able to bargain collectively and had all of those other opportunities afforded to them.

I will hand over to the Deputy Director-General to complete the answer.

**Dr Blackwood:** The union encouragement policy provides for the release of information to new starters, and the safeguards around those provisions have been the subject of parliamentary discussion. As we have answered in the question, it highlights the approach that can be taken. In relation to some industrial instruments, the provision of material to new starters would include lists to set that out, or there may be other approaches taken. That is typically through the induction process so that people can be provided with a range of information that the organisation would provide to them as well as being advised from unions about what union they might be able to join et cetera. That is the approach with new starters.

The union encouragement policy also ensures that unions have access to the workplace under the Industrial Relations Act and therefore have ongoing access to people within the workplace to raise issues and also, obviously, on an ongoing basis to highlight their services and to seek to undertake activities that unions typically do, which would also include seeking to get people to join their organisation. That is how the union encouragement process works. It has been long tested, it has been in Queensland since 2000 and it has worked effectively in the past.

**Mr WALKER:** Dr Blackwood, I do not think that answers my question. My question in relation to existing public servants—not new ones—who are not union members is is their information passed on to the unions or is that not caught up by the policy?

**CHAIR:** I am sorry, member for Mansfield, you will need to direct any questions to Dr Blackwood through the Treasurer, as he is not the Director-General of the department.

**Mr WALKER:** I am sorry. I direct that to the Treasurer.

**Mr PITT:** No problem at all. Please, Dr Blackwood, answer the question.

**Dr Blackwood:** Yes, I think I did answer that. As far as we are concerned, details are provided in relation to new starters. I think the question you are asking is about existing people. There is not going to be the provision of details, but if you do have a union encouragement policy which provides union organisers access to the workplace, then they are going to be engaging with a broad range of people who may have been employed previously and the issue may come up again about whether they wish to join the union. There are obviously opportunities to meet with people and talk to them about it, but new starters is about providing the details.

**Mr WALKER:** I understand that. But if I have it right, Treasurer, the answer is no, the information is not passed on. Unions have fair go at existing members, but it is not passed on to them; is that correct?

**Mr PITT:** Yes. The important point to reiterate here is the fact that new starters' information will be provided as an opportunity to choose. It is all about choice. Ultimately if that means that they talk to work colleagues to suggest they might be interested, or if as part of a workplace visit they have the opportunity to suggest what their range of services are, then that is going to be fine as well.

I come back to the point that this is a matter of choice. There is no strongarming. No-one is suggesting that people must do this or must join this organisation as a member. It is all about providing choice. As an employer, we recognise that we have to be a good employer and allow safeguards and another voices besides just an individual voice in a workplace.

**Mr WALKER:** Except that you rejected their choice as to whether or not they could have their information passed on when that was debated in the House, so they have no choice in that matter.

**Mr PITT:** With regard to the passing on of new starters' information, I think you might find that the Leader of the Opposition today referred to the fact that some of this information is already made available through a gazettal process in many instances. The point is that all we are doing is providing a consolidated set of information as part of a policy that we believe helps provide a very important check and balance in terms of the workplace. As I said, we are the employer in this case and it is important that we provide people with the opportunity to have a voice in the workplace. That is why we believe strongly in this policy. It has served Queensland well.

**Mr WALKER:** I refer to the union encouragement policy again, and I seek leave to table a copy of the policy.

**CHAIR:** Leave is granted.

**Mr WALKER:** In relation to the policy, it says that delegates will be provided with reasonable access to facilities for the purpose of undertaking union activities. I would just ask what guidelines, if any, there are around what reasonable access is? Are there things that are off limits? Are there things that are not off limits? Is that left to the individual manager? Who makes the decision as to what reasonable access is? That is my first question.

Secondly, has an assessment been made of what the engagement in this access is by way of cost to the taxpayer?

**Mr PITT:** I have been asked this question previously. Typically what we are talking about here, for example, is a lunchroom—a facility or an opportunity to meet new starters or to meet other people in the workplace. The lunchroom is part and parcel of that. It is provided for government workers every day of the week. They can choose to go and have something there. What we are also able to do now is have people put a notice on the bulletin board to say that there might be a visit on a certain day, and if you would like to come along and talk to people you can. These are not offensive things. They are not coming at significant cost to anyone, and of course those unions should be footing the bill for the notices they put on the notice board.

In relation to other facilities there are going to be very specific definitions around what is reasonable, and obviously when you look at policies and legislation that can be the case. I think the common-sense approach is really what this is about. This is saying that if anyone is acting in a way that would not be condoned in a workplace, then certainly as the industrial relations minister I would want to know about it. No doubt a range of responsible ministers in their own departments would want to know about those things. No-one is suggesting that anyone would condone unreasonable behaviour.

In answer to your question, I think common sense is one of the biggest tests here. I think clearly in this current environment and with the line of questioning that we have had, there is a significant degree of interest from many parties—but particularly from the opposition—around what is happening with this union encouragement policy. I would argue that, if there was unreasonable behaviour, you will probably hear about it before me. The reasonable test is just common sense and what is appropriate behaviour. I do not think that I can provide you with a much more complex answer than that.

**Mr WALKER:** In your view would a common-sense test to reasonable access include access to phones and computer screens?

**Mr PITT:** That depends on the circumstance and what is reasonable. I would have thought that access to those things would be at union expense; however, it could be that in specific workplaces within the very, very broad Public Service there might be instances where it is appropriate to allow somebody to make a phone call. This is a reasonableness test, and I think if there is concern raised

about undue behaviour or undue access, then I would argue that you probably would hear about those things ahead of me or ahead of some of the people involved because it would not be appropriate behaviour. I think it should not be limited to that. It could be that someone is able to sit with an employee to discuss a range of options, and if they are at an employee's desk they may be talking to them about their services and clicking onto a website. That hardly comes at great cost to anyone, but it could be an example of reasonably showing somebody what options are available to them.

It is not always just about industrial advice: there are other services including things like Union Shopper and the like which are also of great interest and benefit to people who may join a union. It is not that dissimilar to many organisations that have services beyond just the professional or industrial services they provide. I think it comes back to that reasonableness test and appropriate behaviour and appropriate use.

**Mr WALKER:** Do I take it from what you are saying that no assessment has been made of the cost that might be involved in the provision of services?

**Mr PITT:** I think what you are suggesting is that, if this practice were to be widespread and people were being set up in offices with phones and computers, then clearly that would come at significant cost. That is not what is being suggested, and I do not think that has been common practice anywhere in the past and I do not imagine it would be in the future. It is going to be a process of negotiation and discussion around what people are looking for in terms of the public sector workforce themselves and what access they have.

For example, if you are in a remote or regional community that has a very small office workplace, it might be the circumstance that in that community that is only phone or the only computer in town. There are obviously circumstances where it would be completely appropriate for somebody to share the resource. We are obviously happy to keep abreast of that and if there are concerns raised, we will act on those concerns. But it is about being reasonable and looking at what is appropriate under these provisions. Very clearly it is not a new process. It has not been exploited in the past. If it had been, I think we all would have heard a massive outcry about this policy returning. Clearly it is something many government workers value.

**Mr WALKER:** You do not think there has been a massive outcry against its return, Treasurer?

**Mr PITT:** Certainly not that I have heard. In fact, I have heard positive things about the government's wage offer, about the job security provisions that we have returned and about the fact that people will be able to negotiate in good faith with the government on a collective basis. Those are things that have been fed back to me and people have said, 'Thank goodness you are back in government.'

**Mr WALKER:** Treasurer, one of the more Orwellian provisions in the document is that passive acceptance by agencies of membership recruitment activity by unions does not satisfy the government's commitment. I want to know what training, if any, is provided to managers to help them understand the difference between passive acceptance and the sort of encouragement you need. Is any training provided, or are they on their own?

**Mr PITT:** This comes down to a few different approaches. One is that each individual minister and their director-general or CEO will provide the policy, and they will be expected to allow that policy to be implemented because it is government policy. Obviously any queries may come either through the Public Service Commission, the human resources department or directly to the director-general of that agency. But like any government policy, whether in the industrial relations space or not, if there are queries people will ask the question about what that means. People do pick up phones, they send emails and they ask questions. I do not think any specialist training is required to understand the difference between what passive acceptance means or in fact what the policy is trying to achieve.

I think I have clearly outlined what we are trying to do with this policy. It is returning to something that has been long held in Queensland. It is not a new policy, and the world did not come crashing down and the sky did not fall when this policy was in practice previously. It seems that there is a newfound interest in it because it is being returned, but clearly it is not a new provision.

**CHAIR:** We will go to government member questions now. I call the member for Stretton.

**Mr PEGG:** Treasurer, with reference to page 12 of the SDS, can you inform the committee of the government's revised approach to enterprise bargaining within government owned corporations and advise of any success to date?

**Mr PITT:** I thank the honourable member for the question. Certainly one of the first orders of taking office was to deal with those unresolved industrial matters that had been left behind. One of those certainly did relate to government owned corporations. I will again state the fact that we are

dealing with government owned corporations in an industrial relations sense as the government, because the fact is that these government owned businesses are still in public hands. It is an issue that we were very happy to deal with and pick up coming into office.

GOC employees have had, as I mentioned earlier, their employment conditions restored in terms of job security and the fact that there is fairness in terms of industrial relations principles as well as bargaining and wage increases. The wages policy that we have put in place provides for wage increases up to a maximum of three per cent per annum, but this has had some offsets in terms of productivity that is equivalent to 50 per cent of the wage increase offer made—that is, of a three per cent increase, 1.5 per cent of that increase must be funded by productivity efficiencies or savings. So in that way employees receive a fair wage increase and also contribute to the efficient running of these businesses which have a commercial focus and are important to the state overall in terms of returning dividends. We think this is a significant improvement on the previous government's position which attached harsh and punitive measures to the process. This is meant to be a very fair and reasonable approach.

With regard to our GOC wages policy, we acted quickly on bringing that forward. One thing that was certainly noticed is that there are a lot of people particularly in the energy businesses, those people who are out there restoring power during natural disasters. I think at just the right time we were able to speak to them about what this wages offer would look like and be able to give them some light at the end of the tunnel, because they had had this matter outstanding for such a long time and then were expected to go out and service fallen powerlines as a result of natural disasters. It was important that they could see that they had a government which was willing to expedite these matters and give them some hope that they would be able to get a settlement on this important area. Even though this is focused on Ergon, Energex and Powerlink, it has also enabled a quick resolution of other outstanding agreements for the following areas—Callide Power Station, Stanwell Power Station, Mica Creek Power Station, Swanbank, Barron Gorge and Kareeya power stations and of course Stanwell corporate office. Because of the approach taken by the previous government, many of these had been in deadlock for more than 12 months and, as I said, it was important that we could resolve them quickly. I think particularly for those front-line workers in the likes of Ergon, Energex and Powerlink, they had some work to do and it was very welcomed by those workers in particular given what we were able to achieve.

The former government's GOC wages policy of 2012 required modest wage increases to be attached to other things, and that included stripping workers of their employment security provisions, the deletion of agreed use of contractor provisions and of course a significant reduction in consultation with employees and their unions. In contrast, the GOC wages policy that we have put in place reinstates key industrial relations principles that existed prior to 2012 and again that related to employment security, the use of contractor arrangements, consultation, right-of-entry provisions and of course union encouragement. Ergon, Energex and Powerlink, along with the majority of other employers within the electricity industry, have reached in-principle agreement in accordance with the GOC wages policy. The new fair wages policy and associated arrangements will be applied to other matters currently or shortly to be subject to negotiations such as CS Energy corporate office, Wivenhoe Power Station, North Queensland Bulk Ports and Queensland Rail. So any GOC agreements that expire in the future will be negotiated under the new arrangements, which we think are very fair and reasonable conditions outlined in the new wages policy. I expect that there will be further successes in this space, but in an unusual dual role the fact is that I am the lead shareholder on all of our government owned corporations as well as the industrial relations minister, so I have a fairly decent handle on some of the expectations of those businesses in terms of what they are trying to deliver as well as trying to ensure that we have a fair and reasonable offer on the table as part of this policy.

**Mr PEGG:** With reference to page 11 of the SDS, can the Treasurer advise how Workplace Health and Safety Queensland will assist and consult with families affected by workplace fatalities?

**Mr PITT:** I thank the member for the question. This has been a very important thing that I have worked on and certainly picked up on work that had been started previously. When it comes to workers who have been injured or killed at work, clearly the person involved is someone who is hit very hard but obviously their family and their friends, particularly those family members, have to deal with the aftermath of a serious injury or a fatality. This has been one of our highest priorities to ensure that we make Queensland workplaces safer. Not only that, it is also about ensuring that injured workers and surviving family members of workplace deaths are included in terms of relevant consultative forums.

We held a families forum on 2 June which was attended by family members of workers who have been seriously or fatally injured at work. It was also attended by safety advocates and safety ambassadors who have also had their own personal impact by a workplace fatality or a serious

workplace injury. Of course, there were key government representatives there including the deputy director-general focusing very much on roles including that of being a safety regulator. The key issues identified at this forum were that early and consistent communication are required right through the process right across Queensland agencies responsible for the investigation of workplace incidents. Comprehensive information has to be provided at the earliest opportunity, so the timeliness of that advice is also important. I think quite importantly here we have to look at the availability of counselling to those affected by workplace incidents, and that includes obviously the family members themselves, co-workers, the injured workers and even witnesses to an event. All of these things are important.

A second families forum was held on 20 July to seek feedback on options that were developed, and this was about providing an ongoing consultative forum to provide families with a progress report on initiatives undertaken at the first forum. The participants certainly have acknowledged and positively endorsed the initiatives undertaken and what we really want to do from here is continue to engage with families and key stakeholders with a view to ensuring ongoing improvement through the process. I think government never goes out of its way to be difficult and never goes out of its way to be cold or insincere, but sometimes by default that can be what happens and people who are already experiencing significant emotional trauma do need all parts of government to come together to help in this space.

I think this has been a very important initiative. There are a range of ways that these things can come to pass and how we can have significant injuries or fatalities. One thing is to look at Workplace Health and Safety Queensland and the Electrical Safety Office's Coronial Liaison Unit. They have an investigations liaison support officer whose role it is to establish and maintain an effective relationship with family members affected by fatalities and the next of kin. All of those things we talked about earlier—the clear information, the timeliness of that information and the counselling—are all part of that role. We do think that those matters are significantly important to help families go through what can be a very difficult time.

There have been individual examples of people who have been impacted by this. We certainly know of the Garrels and the impact felt by that family and they have certainly had very strong family representation to ensure that what they went through is not what other families would go through. In Far North Queensland the family of Dale Kennedy, who was electrocuted at a high school in my electorate, has gone through significant and challenging times. This is about improving the processes going forward and I am really proud of the work that has been undertaken by the Office of Industrial Relations and Workplace Health and Safety Queensland in trying to bring together parts of the government to ensure that we improve the process and deal with this in a sensitive and constructive way going forward.

**Mr CRAWFORD:** Treasurer, with reference to page 11 of the Treasury SDS, could you provide an update on what community information is provided to promote workplace safety and electrical safety?

**Mr PITT:** I thank the member for the question. I am sure—I am hoping—most of you are on social media and I am hoping you would have seen some of the increased presence that we have had in this space. When you look at a range of different campaigns that have been put forward, we know that in 2014 a campaign to target safety in ceiling spaces was run with the Stay Safer Up There, Switch Off Down Here campaign that ran on TV, radio, billboards and online. It was supported through more than a million brochures that were distributed through all major metropolitan newspapers and Home hardware stores. The campaign was about urging home owners and tradespeople to turn off all the main power switches at the switchboard before heading up into the roof using the key safety message Stay Safer Up There, Switch Off Down Here. These are very important awareness campaigns and sometimes we do see ads on TV and things so often in other forms of advertising that it does get a little bit monotonous and annoying. I could not think of anything better than to have a message absolutely drilled and drummed home to people to ensure that they do things that they may not think would even be an issue. Clearly when it comes to people's safety in the home, it is really important that they understand.

Following this campaign, market research showed that 82 per cent of home occupiers would consider turning off the power before entering a ceiling space and a further 15 per cent would not go up there at all. I would probably find myself in the latter bracket; that is probably a bit safer. In October the Office of Industrial Relations ran the Work Safe for the Moments That Matter campaign and that was looking at showing different workers at the start and end of their working days finishing with the moments that were special to each of them. It goes back to that whole point of having people return home at the end of the day to their family and friends, and that is the expectation that all Queenslanders

should have. Again, these have all had very important safety outcomes. Some of this work was undertaken under previous governments and it is important to recognise that this is something that transcends governments. Safety in the workplace and safety in the home are not the domain of any particular political party. It is a very important thing that all of us should be jumping on board with and getting behind.

Currently, there is a third advertising campaign, *The Risk is Real. One Safety Switch May Not Be Enough*. That is about encouraging home occupiers to have safety switches fitted to all electrical circuits in their home. This has been running for six weeks again on TV and radio. There is a brochure that has been distributed at hardware stores, but of course there is a very strong presence, as I mentioned, on social media. I probably spend a bit too much time on social media, but I have seen that advertising campaign come through a number of times. This is about achieving community awareness of the benefits of having safety switches fitted to all circuits. It is about having a better understanding of the difference between safety switches and circuit-breakers and positive action being taken by householders to ensure that they have those safety switches installed.

We are going to be carrying out post campaign research. It will be happening in late August this year so we can really get a handle on whether the new approach and the increased approach to social media is helping. Looking forward we are going to be running a *Getting Back* campaign for six weeks about encouraging injured workers, employers and medical professionals to be proactive and engaged in terms of return-to-work processes. Again, that is a very important thing not only in terms of someone's ability to have self-esteem and feel connected to their workplace and return to work but clearly there are very important productivity gains for the businesses concerned and those businesses can demonstrate their commitment to workplace safety. Of course, that rehabilitation and return to work are a very important part of what we all do right across our community.

**CHAIR:** We will go to questions from non-government members now.

**Mr WALKER:** Treasurer, it is electrical safety that I want to speak about as well, but I understand that the campaign to which you referred has—and maybe Dr Blackwood can help us—either won awards or been nominated for awards as one of the most successful public safety campaigns ever run, so it is impressive work by the department. Treasurer, I want to take you to page 12 of the SDS which talks about ensuring a stand-alone Electrical Safety Office and just ask how this strategy is going to be implemented in terms of personnel and structure.

**Mr PITT:** Just as a point of note, I am happy to address the question but it is a matter that is before the House at the moment as part of those arrangements. In general terms obviously it was a commitment to reinstall the stand-alone body, but the fact is that it is part of the arrangements before the House. There is nothing concerning about your question, but in respect of the standing orders I think it is important to not go into that territory. If we break that rule for one element, we would be breaking it on others and I respect the standing orders a bit too much to do that. I am happy if the deputy director-general can tippy-toe around it better than I can, but I would prefer to talk to substantive matters.

**Mr WALKER:** It might be better to move on to another topic then.

**Mr PITT:** Sure.

**Mr WALKER:** It also relates to electrical matters. I am interested in whether you can provide an update on the government's response and implementation of the coroner's inquest in July 2013 into the deaths of Matthew James Fuller, Rueben Kelly Barnes and Mitchell Scott Sweeney, particularly with reference to RCDs—the residual current device?

**Mr PITT:** I might refer this question to the deputy director-general. It is important that he can speak to this in terms of the long-run range of matters that you are referring to. Obviously, it has crossed over from previous governments to this government. I think he is well placed to provide the response in this case.

**Mr WALKER:** Thank you.

**Dr Blackwood:** In terms of the coronial inquest, obviously, people are aware that the inquest at the time made a number of recommendations. One of them did look at the implementation of RCD safety switches. As the Treasurer has just mentioned, we have just run a six-week campaign, which is encouraging people to introduce safety switches into their houses. In response to the coronial inquiry last year, we had a look at options about what could be done in relation to RCDs. It was recognised that Queensland, along with Western Australia, had higher legislative requirements than elsewhere in

the country and that at the same time in 2017 the new standards will be introduced around the country in relation to houses and the installation of safety switches. That will give an opportunity for everybody to look at what should be done then.

In the meantime, the previous government and this government made a decision to conduct the current safety switch campaign on the basis that it was recognised that a lot of people were already meeting over and above the standard that is required. With RCDs, we undertook an investigation and found that there were a lot of people—electrical contractors—in new houses and renovation houses installing them not only on the light switches but also on the stoves, air conditioning, swimming pools. So there was a feeling that, this year, rather than increasing the regulation immediately and in line with the coroner's inquiry recommendations to look at the options, that we would be seeking to encourage people out in the community to install those safety switches.

We have had lots of discussions with all the electrical contractors—Master Electricians—and they are certainly aware of the campaign. When they are out there, they are talking to residents about, 'When doing some major work out here, do you want to install improved safety switches?' I think that was really the major element that came out of that coronial inquiry. They were also focused on the actions of Workplace Health and Safety and Electrical Safety in terms of providing information and education. We have taken those on board, those recommendations.

**Mr WALKER:** Treasurer, can I just follow up on that question? Just to understand a little more, I think what Dr Blackwood indicated was that there was no immediate plan to have mandatory switching. But can I ask whether there has been any assessment of the competing policy objectives of safety and the cost of mandatory switching and whether the government has made a final decision on that or is it perhaps open that the government may move to a mandatory position?

**Mr PITT:** I think we are going to be giving consideration to all of those matters. Of course, as you correctly identified, it needs to be looked at—what the implementation costs would be—and whether that is the appropriate course of action. If it is determined that that is something that we would pursue, you would have to then look at over what period, if it was phased in over a longer period. That is going to be part of that assessment.

So I think Dr Blackwood's response is quite correct. We will be giving consideration to those matters. We have not made a final decision but, very clearly, all of those aspects are important in terms of our decision. It has to be something that clearly gets the public benefit. It has to be something that is affordable and that may mean the acceptance that it could take longer if it were indeed to be implemented. So we are looking at those matters, but we have not made our final decision as yet.

**Mr WALKER:** Treasurer, can I now look at page 11 of the SDS, which relates to industrial relations policy and regulation. Can you outline the details of the Industrial Relations Legislative Reform Reference Group, including whether or not there will be any public consultation as part of that group's process? Unless I have missed something, I do not know who the members of that group are or what its formulation is. I understand that it is to report by December, which is not far away. I am just interested in who is on the group, when that will be announced, what its process will be and how on earth it will get there by December.

**Mr PITT:** Okay. There are a few points. You have not missed anything. We have not actually announced who will be heading that process up, but what we have said clearly is that it is going to involve somebody who will chair that group, to have an expert IR adviser, to have some academic input to ensure that we have representatives from the government as the key employer. The fact is that we are talking principally about the Industrial Relations Act and the public sector industrial relations component of that. That is why the government as the employer will have relevant input from unions that have representation in the public sector environment and that is going to be important.

We also have plans to include some business and industry representatives. Clearly, it would be impractical to have individual businesses on there, because where do you start? But importantly, there are more aspects to this than quite simply the Industrial Relations Act itself and the public sector relationship there. Obviously, you would be aware that many years ago in 2010 we ceded our private sector industrial relations matters to the federal government. Of course, that is now under Fair Work. So we now are dealing primarily under that act with public sector matters only and, of course, it has an impact on local government. So there will be representatives from local government involved in the process—the LGAQ.

Also, when you are looking at the terms of reference here we have flagged very early in the piece that we would be looking at reviewing the Queensland Industrial Relations Commission, its role and looking at that in broad terms. That is where I think very critically we will have representatives from

business and industry being involved in the group because, clearly, there is a direct relationship in terms of the QIRC and how it operates on other matters, not necessarily industrial matters but matters relating to things like trading hours and the like.

**Mr WALKER:** Do you have an idea, Treasurer, of the likely size of that group and the balance, albeit the difficulties I understand that you have with the employer side, between employer and employee representatives?

**Mr PITT:** I will have to have a look at what the composition is. I might have to take that on notice and come back to you. Very clearly, it is not going to be just about what that group does; it is also going to be about the role that the department plays and bringing that forward. There will be some people who will be brought on for a short period to ensure that we can expedite this and get things happening by the December time frame when we want them to report back to government, including getting some legislation, if necessary, enacted and put into the parliament.

I think the point is that it has been a long time since we have seen a real review of this act. I think that is heightened by the ceding of those private sector arrangements in 2010. It is overdue and I think it is important that we undertake this work. The number of that group, by the way, is 18. So it is going to have a fair bit of discussion. I think if any of the previous reference groups and people contributing to our reform agenda, even in the workers compensation space, has been anything to go by there have been robust discussions through that process and we expect that there will be robust discussions here as well. We expect that that is going to give some very good guidance to government around the sorts of matters that we should consider as part of this review and what we need to act on. I think it is a balanced group from a cross-section of people contributing. We are still committed to delivering that by that December time frame and being able to report back to say what the expected changes are going to be.

**CHAIR:** Member for Mansfield, was there anything further that you did require from the Treasurer on notice or he has answered your—

**Mr WALKER:** No, I think the Treasurer understood what I needed—the size and the balance.

**Mr PITT:** The composition and the size. Have you got that?

**Mr WALKER:** Thank you. Page 11 of the SDS relates to, among other things, the BCCB. I am interested to know how many staff work in the BCCB section of the Industrial Relations Policy and Regulation Division. That is actual dedicated staff to the BCCB.

**Mr PITT:** Certainly, you are probably noting that there was a question on notice—

**Mr WALKER:** No. 10.

**Mr PITT:** That was related to that. The BCCB is located within the IR Policy and Regulation Division. It is within the Office of Industrial Relations. You would be aware that there has been a name change in terms of the Office of Industrial Relations. Of course, it is now part of Treasury as opposed to being in the Department of Justice and Attorney-General. It was not provided with specific funding arrangements in 2014-15. Its operations were funded from the existing allocation of the former Office of Fair and Safe Work Queensland and it reported under the private sector industrial relations call centre. There are 16 officers in terms of the Industrial Relations Policy and Regulation Division and, of course, that comprises of five in the state office and 11 regional staff. So expenditure of \$356,000 has been provided in this budget for activities for the BCCB.

**Mr WALKER:** My question, Treasurer, was there is a reference there to 16 officers in the IRR&C but it does not tell us how many officers are dedicated to the BCCB. I am just wondering if you could answer that, please.

**Mr PITT:** I might ask the deputy director-general to answer that, because I am not aware of the specifics of that, member for Mansfield.

**Mr WALKER:** Thank you.

**Dr Blackwood:** So with the BCCB, it has been part of the industrial relations policy and regulation area for the last few years. Currently, it is being more integrated with the IRPR. We do not have anybody specifically dedicated to that work, but we have a number of officers undertaking the work that was associated with the Building Construction Compliance Branch. So that is in relation to the work that it was doing in relation to those projects that fall under the guidelines. As at 30 June, we had 105 state funded construction projects that were falling under the guidelines, a number of civil construction companies—other projects—but we mainstreamed that work so we did not have people specifically undertaking that work.

**Mr WALKER:** Could I just tease out also, please, Treasurer, you referred when you were looking at question on notice No. 10 to the provision of \$356,000 for BCCB activities in this budget. Could you tell us what that \$356,000 represents or goes towards?

**Mr PITT:** I think we have answered that. I think that was answered in the deputy director-general's response.

**Mr WALKER:** Perhaps he could make it clearer then for me. The \$356,000 is?

**Dr Blackwood:** Because we have the officers who are working in the industrial relations policy and regulation area undertaking a number of functions—they undertake wages compliance matters, long service leave matters and rectification of them—but they are also undertaking the work in relation to those construction projects.

**Mr WALKER:** So that is a wage component relevant to that?

**Dr Blackwood:** That is right. That is to cover the staff undertaking a range of activities and one of the activities that we have said that they are undertaking is in relation to the Building Construction Compliance Branch. But there are other matters because, obviously, we have a reasonably small group there and we want to work as efficiently as we can in undertaking a variety of tasks.

**Mr WALKER:** Treasurer, Dr Blackwood indicated before the number of projects under supervision. I would just be interested to know the value of those projects. Is that readily available?

**Dr Blackwood:** We can provide that.

**Mr PITT:** I think I have got it here. It is 105 state funded construction projects valued at \$5.33 billion.

**Mr WALKER:** \$5.23 billion?

**Mr PITT:** \$5.33 billion that fall under the guidelines.

**Mr WALKER:** Finally on that issue, I am interested in the relationship the BCCB has, if any, with its federal counterpart, Fair Work Building and Construction.

**Mr PITT:** I will refer that to the deputy director-general.

**Dr Blackwood:** The fair work building commission undertakes different work to what we are undertaking. It is fair to say that we know the officers in the fair work building commission, but we are undertaking different work from that they are undertaking. Theirs is very much actively in the federal arena and ours is focused on what is happening in relation to state funded construction projects. That has been the case for the last two years. So they are operating in quite different industrial relations jurisdictions and they really have different tasks that they are undertaking. Theirs is very much focused on industrial relations in the federal arena. Ours, with the BCCB, was looking at making sure that all of those state funded construction projects were under the guidelines, understood what the guidelines required and were providing their industrial relations plans.

**CHAIR:** Thank you, Dr Blackwood. The time allotted for the consideration of the proposed expenditure for the areas of responsibility administered by the Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships has now expired. On behalf of the committee I thank the Treasurer and departmental officers for their cooperation. The committee has concluded its examination of the matters relating to the Treasurer and related portfolios referred to it by the parliament. On behalf of the committee I thank officers of the Parliamentary Service for their assistance with today's hearing. I thank my fellow committee members for their work and collaboration in organising and running the hearing today.

**Mr PITT:** Before you declare the committee closed can I please just reiterate your thanks to the parliamentary staff involved but also can I take a very brief opportunity to thank all within Queensland Treasury, within the Department of Aboriginal and Torres Strait Islander Partnerships, as well as my ministerial office for their support in helping us to provide responses to the committee's questions today. We appreciate their support. And I certainly want to thank members of the committee for going through this process. I made the point on radio today that this is a process for the parliament. I value the estimates process and it has been much appreciated, the manner in which the questioning has been conducted during the hearing.

**CHAIR:** Thank you, Treasurer. I declare the Finance and Administration Committee's estimates closed.

**Committee adjourned at 7.16 pm**