

TUESDAY, 18 JULY 2017

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

Estimate Committee Members

Mr PS Russo (Chair)
Mr RA Stevens
Mr DC Janetzki
Mrs JR Miller
Mr SJ Minnikin
Mr LP Power

Members in Attendance

Mr JP Bleijie
Mr SL Dickson
Mr SA Emerson
Ms DE Farmer
Mrs DK Frecklington
Mr JM Krause
Mr TJ Nicholls
Ms JE Pease
Mr BM Saunders

In Attendance

Hon. PW Wellington, Speaker
Mr N Laurie, Clerk of the Parliament
Mr M Ries, Deputy Clerk of the Parliament, Parliamentary Services
Mr C Atkinson, Director Corporate Services and Electorate Office Liaison
Ms J Prowse, Acting Director Information Services and Parliamentary Librarian
Mr S Johnson, Director Property and Facility Services
Mr P Morris, Manager, HR Services

Committee met at 9.04 am



CHAIR: Good morning, I declare open this hearing of the estimates for the Finance and Administration Committee. I would like to introduce the members of the committee. I am Peter Russo, the member for Sunnybank and chair of the committee. Ray Stevens, the member for Mermaid Beach, is the deputy chair. The other committee members are David Janetzki, the member for Toowoomba South; Jo-Ann Miller, the member for Bundamba; Steve Minnikin, the member for Chatsworth; and Linus Power, the member for Logan. The committee has granted leave for non-committee members to ask questions at its hearing today, so other members may be present over the course of the proceedings.

Today, the committee will consider the Appropriation Bill 2017 and the estimates for the committee's areas of responsibility. I remind everyone present that any person may be excluded from the proceedings at the discretion of the chair, or by order of the committee. The committee has authorised its hearings to be broadcast live, televised and photographed. Copies of the committee's conditions for the broadcast of proceedings are available from the secretariat. I ask that mobile phones or other electronic devices be turned off or switched to silent mode. I also remind you that food and drink are not permitted in the chamber.

The committee will examine the portfolio areas in the following order: the Legislative Assembly from 9 am to 10 am; Premier and the Arts from 10.15 am to 1.30 pm; Treasurer and Trade and Investment from 2 pm to 6 pm; and Employment and Industrial Relations, Racing and Multicultural Affairs from 6.30 pm to 9 pm.

The committee will now examine the proposed expenditure in the Appropriation (Parliament) Bill 2017 for the portfolio area of the Speaker. The committee will consider the estimates for the portfolio until 10 am. On behalf of the committee, I welcome the Speaker and the Clerk and officers and members of the public. I also welcome the member for Clayfield, Mr Tim Nicholls, the Leader of the Opposition, shadow minister for arts and major events and member for Clayfield.

I remind those present today that the committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. It is important that questions and answers remain relevant and succinct. The same rules for questions that apply in parliament also apply in this hearing. In this regard, I refer to standing orders 112 and 115. Questions should be brief and relate to one issue and should not contain lengthy or subjective preambles, arguments or opinions.

I intend to guide proceedings today so that the relevant issues can be explored fully without imposing official time limits and to ensure that there is adequate opportunity to address questions from government and non-government members of the committee. For the benefit of Hansard, I ask officials and advisers to identify themselves the first time they answer a question referred to them.

I now declare the proposed expenditure for the area 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.

CHAIR: Thank you, Mr Speaker.

Mr SPEAKER: Thank you, Mr Chairman, and good morning, members. I am very pleased to appear here today at the 2017-18 budget estimates hearing for the Legislative Assembly and Parliamentary Service. First of all, I respectfully acknowledge the traditional custodians of the land upon which the parliament stands. I also welcome our Clerk, Mr Neil Laurie, and other officers of the Parliamentary Service to assist me in answering your questions regarding the Appropriation (Parliament) Bill.

We sit here today as custodians of our parliament and, in this role, we are responsible for maintaining and preserving the heritage of our parliament and the role that it has played in Queensland's history. We are equally responsible for ensuring that the parliament remains relevant and contemporary to meet the needs of the people it serves. Over the next 12 months these obligations will be drawn into focus in a number of ways. At some stage over the next 10 months an election must be held and the parliament itself will undergo its most significant change in over 30 years following the recent electoral boundary redistribution and the decision to increase the number of members of parliament from 89 to 93. In addition, the next election will be the last before amendments to the Constitution of Queensland take effect that will see fixed dates for future elections. A key focus for the 2017-18 period will be planning for and managing the impacts of these changes as they occur in the transition from the 55th to the 56th Parliament.

As I noted when I appeared before the committee last year, as the parliament changes so must the Parliamentary Service. For 2016-17, I approved a new strategic plan and organisational infrastructure for the Parliamentary Service which has now been implemented to better focus service delivery to the parliament, its members and our committees. In building on these changes in 2017-18, the Parliamentary Service will review its corporate information technology strategy to ensure that people, processes and systems are aligned to meet the changing needs of members to engage with

their constituents and the demands of a modern workforce. As an example, the Parliamentary Service recently launched an update to its broadcast of proceedings system, now named Parliament.TV, to make it easier for the public to access the broadcast using modern portable devices. A similar upgrade to the members' video on demand service is planned over coming months.

Turning to capital works, the 2017-18 program highlights the need to preserve the parliament's heritage while delivering a modern, relevant workplace. In October this year we anticipate that the final stage of the Parliament House stonework restoration will be completed. I note that this stonework restoration started almost 25 years ago. Planning has now commenced on design work for the upgrade and restoration of the heritage fence, which I hope will start this year. The completion of the Parliament House restoration coincides with planning to celebrate the 150th anniversary of the first sitting of the Queensland parliament on this site on 4 August 1868.

During the next 12 months, work will also continue on a major program to deliver a modern fire protection system to protect our Parliament House and to upgrade security infrastructure and other audiovisual systems within the precinct. In 2017-18 work will also occur to develop options for an ongoing refurbishment program for the Parliamentary Annexe, including not only visible furnishings and amenities but also underlying infrastructure. Our Annexe is almost 40 years old, and I anticipate that there will be a significant cost for those refurbishments.

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

CHAIR: I call the member for Clayfield to commence questioning.

Mr NICHOLLS: Thank you, Chair. Mr Speaker, I have received correspondence—and I am happy to table it—that goes to an issue regarding supporting the Legislative Assembly. I seek leave to table a letter that I have received from Ms Jessica Sharp. I ask about the possibility of live captioning the online parliament broadcast. Is it possible to give hearing impaired, hard of hearing and deaf Queenslanders access to the parliamentary broadcast?

Mr SPEAKER: Thank you, Mr Chairman. We are currently investigating this matter. I understand that our Commonwealth parliament has a program similar to this and I understand the cost to run that is in the vicinity of \$3.5 million. I am currently having this matter investigated. A report will be prepared for me in due course and I will take it to the parliament's leadership committee, the Committee of the Legislative Assembly, for further consideration. Mr Clerk, is there anything further that you would like to add?

Mr Laurie: I understand that the Commonwealth parliament and the New Zealand parliament are the only two parliaments in Australasia at the moment that provide this service. Mr Speaker has outlined the cost to the Commonwealth parliament. We are making investigations with New Zealand as we speak. Essentially, the Commonwealth parliament operates an outsourcing service for that. It is not done internally by their Hansard; it is outsourced to a third-party provider. There are some issues that are unique to Queensland that we would have to consider as part of that.

Mr NICHOLLS: Might I ask what they are?

Mr Laurie: Yes. As I understand it from my Hansard staff, our general speaking speed here in Queensland is significantly higher than in other places, including the Commonwealth, which I think has a lot to do with our speaking times. Members speak faster in order to get within times and things of that nature.

Mr NICHOLLS: It is still in English, though.

Mr Laurie: Yes. I understand. There are some issues around that, but we are investigating it. We will take it to the Committee of the Legislative Assembly in due course. I understand that there is a petition on this issue as well.

Mr STEVENS: To you, Mr Speaker, and perhaps through you to the Clerk of the Parliament—actually, I would love some clarification from the Clerk of the Parliament. I will not be referring to SDS page 3, which it is on, and I understand that we do not need to refer to the SDS in future questions for the rest of the estimates process, so people will understand that, but my question is with reference to the Speaker's answer to question on notice No. 3. Will the Speaker outline how the business systems of electorate offices are being addressed as part of the review? Can the Clerk advise us of the overall cost of that review, the organisational review, and the financial benefit to be gained over that organisational review?

Mr SPEAKER: I might refer that to our Clerk.

Mr Laurie: As the committee is aware, the Parliamentary Service provides a range of data and telephony services to support the operation of members' electorate offices. Members would be aware that in December 2015 a new network model was rolled out in electorate offices as part of a program to replace the 25-year-old telephone system.

Earlier this year a number of members attended information sessions conducted by the new head of Parliamentary Service IT to confirm the extent of problems that we were getting reported from electorate offices. I am aware that these problems related predominantly to slow internet access in the offices and dropouts using what is known as the RDS farm when staff were trying to access their data files through the main connection to parliament's network in Brisbane.

Essentially what we are looking at at the moment, or IT is looking at, is that we are trialling a number of things. The first is actually in the short-term we have made some configuration changes to the RDS gateway which seems to have reduced the number of dropouts and problems that members and staff were having. We have had some ongoing discussions with our partners NEC in relation to this issue to audit and remediate particular lines. I understand that part of the problem was that we were not necessarily getting all the contracted bandwidth that we should have to some of those offices, which is not necessarily the fault of our service provider, but the fault if you like of the underlying infrastructure to some of those offices. As members would be aware, the NBN is currently in rollout and I understand that Telstra may not necessarily be maintaining some of the existing copper wire to the state it used to and so there was degradation on a number of those lines. We are trying to address that problem.

We are also looking at software changes, to access new software like Office 365 which hopefully will alleviate some of these issues as well. More importantly, we have commenced a trial in five pilot sites—Glass House, Toowoomba North, Nudgee, Waterford and Broadwater—to test improvements in performance through installing an additional consumer grade internet connection for all general internet traffic—so taking it off the WAN network. The trial will continue until August 2017, or that is what was slated. I have to say we have had some delays and difficulties in just getting the consumer grade internet sites up and working because literally in some of these places there are no ports available. For example, I have just been advised recently that Glass House is on a waiting list and has been on a waiting list for six weeks. There are no ports available. We have no idea when we are going to get Glass House onto the trial. I understand that by the 20th all the other sites will be up and running so we will see how that is going after that. We are trialling a whole range of different things to try to improve the services in the electorate offices.

Mr STEVENS: The other answers to my SDS matters and the financial costs?

Mr Laurie: In relation to the financial cost, at the moment if the trial is successful and we were to roll those additional lines out to offices, it would be probably in the vicinity of \$180,000, I am told. That is if we decide to roll those out. I think it is inevitable that we will probably have to do that, but we do want to trial it to make sure that it actually solves the problem before we expend that money.

Mr STEVENS: And in relation to the SDS? The first part of the question was you do not have to quote the SDS numbers.

Mr POWER: I think that is more a ruling of the chair.

Mr Laurie: In relation to the procedural question that you asked, the estimates committees are to examine the appropriation bills. As long as the questions are relevant to the appropriation bills you do not have to quote SDS pages.

Mr STEVENS: Thank you very much, Mr Clerk.

Mr NICHOLLS: I have a question about the lifts in the high-rise section of the annexe, Mr Speaker. It has come to my attention that they are providing a less than desirable service to members and staff, with one lift dedicated for up and one lift dedicated for down during sitting weeks and then one lift not functional I think now until early August. It seems to me that that is an extraordinarily long period of time for the lifts to be out of service and certainly during sitting weeks it has led to some, despite the best will of all involved, considerable concern about getting to the chamber when bells are ringing and at other times. Is it possible to get a response from you about the reasons for the delay and has there been additional cost as a result of the repairs, maintenance and replacement of those motors, cables and lift bodies?

Mr SPEAKER: Thank you, Leader of the Opposition. Yes, this is an issue. It has been raised on a number of occasions at our Committee of the Legislative Assembly meetings. Mr Clerk, can you provide an update on where things are at the moment.

Mr Laurie: Mr Nicholls, I think it would be incumbent on me to start out with the basic problem and that was when the whole building was designed they just did not put enough lifts in. No matter what we do with the lifts in terms of their replacement or maintenance, the fundamental fact is that there are insufficient lifts for the number of floors that we have to service.

Mr NICHOLLS: We do not want any fewer though.

Mr Laurie: No, I know. One of the difficulties we have with lift replacements, as I have discovered during this process, is that they are lengthy processes. For example, I am advised that to replace the motor in a single lift takes approximately 12 weeks. That means that for that 12-week period that lift is completely unavailable. Essentially, what we had to do was we had to find 12-week gaps when the House was not sitting in order to do those motors. The interiors also take some time but nowhere near as much time; probably two to three weeks and we can have an interior fitted, but it is the motors that have been causing the difficulty because of the length of time that is needed for the motors.

We did have a program scheduled so that the lifts would have been operational by now, but you may recall there was a change in sitting weeks earlier in the year and that meant that we had to reschedule the replacement of the last lift motor to this period that we are currently in at the moment. Since the parliament last sat until the parliament comes back that last lift motor is being replaced. When that last lift motor is replaced that means that both lifts will be able to operate.

Mr NICHOLLS: Up and down?

Mr Laurie: Up and down—together, if you like. The difficulty that we encountered after we replaced the first lift but before we replaced the second lift motor was that, and it took some discussion with me for myself to even understand this, they were both operating but they were operating independent of each other. Therefore the advice to us was that it was best for members who wanted to go up to take one lift and if they wanted to go down the other. It was not that the lifts were not operating up and down, it was just that they were not communicating between each other. That is why it was put in place that way.

It has been a frustrating, lengthy process but we had to replace those lifts. Late last year we had both lifts on the same day basically go down out of service and the parts that were completely independent of each other that broke were identical on different floors indicating, I suppose in a significant way, the age of the lifts. They were end of life and past end of life and so they had to be replaced. We moved urgently to replace them, but like most works in this place we also have to operate around the House. There is no way we could take both lifts out of operation at the same time. There is no way that we could take both lifts out of operation when the House is sitting so we have had to work in between the sittings of the House. The bad news is in my view those lifts that we have replaced on the high-rise side are the same age or were the same age as the lifts that we have on the low-rise. At some stage very shortly we are going to have to replace the two low-rise lifts as well. Of course, the low-rise lifts do not cause quite as much grief as the high-rise lift.

Mr NICHOLLS: In relation to that, has the original program for the replacement and renovation of the high-rise lifts been longer than what was originally envisaged and has the change to the sitting week led to additional cost and delay in finalisation of that program, because it seems to be much longer than what was originally advised in terms of the time period that those lifts would be out of commission or causing this problem?

Mr Laurie: The change to the sitting week did mean that we had to change the schedule so it meant it took longer—i.e. this should have been finished by the end of the financial year, June 30, but now it will not be finished until the sittings in August. In terms of extra cost, I am understanding it has not cost us any extra money.

Mr NICHOLLS: Have there been any additional costs from the original project when it was let out to the operators in relation to it?

Mr Laurie: No. We have managed this contract directly between ourselves and the lift operator. There have been no intermediaries as such and we have managed it directly. I understand at this point in time there is no indication of a cost blowout.

Mr NICHOLLS: In relation to the stonework which is underway, which will hopefully be completed by the sesquicentenary of the parliament, and I am looking forward to seeing that occur as well, given the length of time for the stonework restoration, is the Speaker considering any formal event to commemorate 25 years of stonework work here at the parliament—a generation, I might say.

Mr Laurie: Three.

Mr NICHOLLS: Twenty-five years would be one generation, many generations of parliaments.

Mr Laurie: We have actually had three generations of workers.

Mr SPEAKER: We are looking at that. There is preliminary planning underway at the moment, but bearing in mind there will be an election held between now and that celebration date a lot of this will be in the hands of a new Speaker, it certainly will not be me. Once the stonework finishes we are planning a special function for all of the workers who have been involved in the restoration work over the past 25 years here at Parliament House. That should be a memorable occasion for the workers and their families and children of the workers who no doubt will be attending also. It will be an exciting occasion. Twenty-five years is a long time but bear in mind what the Clerk has said, that this is a place where a lot of work is happening all the time, and we need to work around the committees that are operating and make sure there is not the noise and disruptions that often would happen at a worksite.

Mr NICHOLLS: I have one more question on the parliamentary precinct. In the SDS there is comment on the increasing maintenance required on ageing precinct buildings and the changing use of areas surrounding the precinct. Could you identify how the use of the areas surrounding the precinct is changing and how that impacts on the maintenance and the activities of the Parliamentary Service in maintaining the building and those areas?

Mr SPEAKER: Whilst the perimeter fence will be the next major project for restoration, we also need to be conscious not just of replacing it but also of the current state of the security for our parliament into the future. That may involve some changes to the open space, especially as you approach the Annexe, in relation to security. I am happy to go into a closed committee to talk about some of the security matters and where we want to go. Mr Clerk, is there anything further you would want to add?

Mr Laurie: In terms of the environment around Parliament House, obviously the construction of 1 William Street has brought a lot more people down to this end of the precinct. The development at Queen's Wharf, literally just across the road, will mean more foot traffic and more traffic around the precinct. That brings into particular focus things such as the perimeter fence, which a security adviser once described to us as 'porous' in the sense that we rely on the buildings as our perimeter rather than the fence line at the moment. I think we need to change that, with the increased traffic and the increased security needs in the world in which we live. Therefore, with the restoration project we are looking at making that fence better in terms of being a boundary.

Mr NICHOLLS: I do not want to know the details, as I understand the concerns in relation to that. However, will the opportunity to restore the boundary fence, the stonework and the wrought iron fencing, also be an opportunity to review and potentially enhance the security of the precinct?

Mr Laurie: That is correct. I should say that we will do all of that within the constraints of environment and heritage consultation and approvals. It is not like we are going to construct the Berlin Wall outside. It has to be in keeping with the heritage of the precinct. We think we can do some things to significantly increase our security, at the same time as replacing that fence.

Mr NICHOLLS: Is that something on which you seek advice from QPS or other parliaments, for example the federal parliament?

Mr Laurie: Yes. Recently we have had a lot of discussions with places such as New South Wales, which went through a similar process. Certainly we draw upon our security consultant reviews and also QPS advice, but then obviously we have to liaise with the heritage side as well. There is a process of consultation and design that happens.

Mr SPEAKER: Leader of the Opposition, there are no problems. Everyone is on the same page. There is great support from the Department of Public Works and Housing. There will be a significant cost. We have no problems with the heritage people we are dealing with. It is an opportune time not just to replace but also to significantly improve the perimeter fence in keeping with the style it should be, while having the additional bonus of a significant improvement to security.

Mr NICHOLLS: Do you have an indication of an anticipated cost in relation to that work? I would assume it would be very expensive with the heritage listing and constraints, as well as the modern costs of security.

Mr Laurie: We do not really have a cost at the moment. I am loath to even give a ballpark figure, because we have not finished the design yet. We are still in the process of negotiation with Environment and Heritage. We have some conceptual things that we would like to do, but we have to go through that process. I have learned not to even give a ballpark figure until you get exactly what you want out first.

Mr SPEAKER: Leader of the Opposition, I can assure you that this will come to the Committee of the Legislative Assembly for consideration.

Mr NICHOLLS: The only other thing is that, because it is a very open house where people can come and have tours or wander around the forecourt and so on, to the best extent possible we ensure that public access is maintained, so that people can continue to access the parliament and the precinct and see live the performance of their parliamentary representatives.

Mr SPEAKER: Leader of the Opposition, I can assure you that at the top of our agenda is ensuring the house remains open to the public whilst maintaining the security presence that we have.

CHAIR: I now hand over to the member for Logan.

Mr POWER: Mr Speaker, I refer to page 2 of the Service Delivery Statements. One objective is to improve the awareness of the role of the Legislative Assembly. In your opening statement you mentioned the sesquicentenary—the 150th anniversary. Can you outline any further activities that are planned for 2018 to mark that important date?

Mr SPEAKER: There is planning underway to consider how we can best mark the 150th anniversary of the first sitting of our Queensland parliament on this site, which occurred on 4 August 1868. There are a range of matters that we are considering, such as an open house. Currently we are involved in the open day, which happens throughout Queensland. We are looking at extending that and inviting members of the public not just to come through our chambers and the precinct but also to explore the secret passageways in old Parliament House and share stories with some of our long-serving staff who might return. There are many good stories to be told about our parliament. We are excited. As I indicated earlier, predominantly the next Speaker and the CLA will make those decisions. It is a great opportunity to showcase the people's house.

Mr POWER: Are you suggesting a former Speakers' function?

Mr SPEAKER: Who knows what the next Speaker may choose? It is a great opportunity to showcase the parliament and the precinct, including the gardens. In the past, our open days have been very well received by members of the public. It is an exciting occasion. In May this year we received the original robes of the first Speaker, the Hon. Gilbert Elliott. The Parliamentary Service accepted from the Queensland Women's Historical Association a donation of the robes and associated clothing of our first Speaker of the Legislative Assembly. Currently they are with our experts, being restored and conserved. We hope to have that on display. There are many opportunities. We think it will be a great day for Queenslanders to come and visit our parliament.

Mrs MILLER: I refer to page 7 of the SDS in relation to the signage of electorate offices. As you know, signage is very important for any entity and it should be really important for Parliamentary Service electorate offices. As you go around the state you see that it is really hotchpotch. Some electorate offices have full-colour signage and others, like those of us veterans, Mr Speaker, probably have substandard signage in relation to today's standards, where there are full-colour photographs and all the whiz-bang signage. After the next election, are there any plans to brand all electorate offices with the same signage?

Mr SPEAKER: Certainly that is an issue that has been raised at the leadership meeting as well. Signage is an issue, as is the issue of the location of electorate offices. In relation to signage, Mr Clerk has the full brief. I will hand over.

Mr Laurie: There are two reasons for some inconsistency in signage between the offices. As you alluded to, there are longer serving members. Obviously we replace signage when there is a change in member, and there have been quite a few changes in the last few parliaments. Any office that has had a change would be in the more modern style that you alluded to. With longer serving members, we do not necessarily change it until there is a need to change it. However, we try to be consistent with what we give each member.

The other factor that does vary a little is our dealings with landlords and what signage they will accept under the leases. One of the things we are now really trying to do in the negotiation process for the leases is negotiate the signage up-front. Beforehand, I think the lease used to be entered into and then we would go forward with signage, and then the landlords could be difficult. We are up-fronting the negotiations on the signage.

Of course, with the next parliament, given that we have the redistribution and a number of changes occurring, there will be a major refresh of signage in large areas throughout the state. As part of that I will undertake that we will review the longer serving members' offices to make sure they are in keeping.

Mr POWER: Page 4 of the Service Delivery Statements refers to the promotion of the institution of parliament to raise community awareness. Mr Speaker, in your introduction you mentioned the first peoples of Australia. What programs have been delivered to promote engagement with the Indigenous community of Queensland and the traditions and institution of the Queensland parliament?

Mr SPEAKER: I think it was only last week that we had the Eric Deeral Indigenous Youth Parliament here. Indigenous young people aged between 18 and 25 participated in a program that went for almost one week. I and a number of other members of parliament from both sides of the chamber attended and were involved. We shared in the chiring of the sessions in our chamber. It was very moving to listen to the submissions made by some of our young Indigenous leaders. At the end of the session I invited them to leave a copy of their submissions with me to forward to the relevant ministers. Some of our young Indigenous leaders certainly did that. Those submissions have been forwarded to the ministers for their attention. It was great to see other members of the parliament in attendance to hear what our young Indigenous leaders are saying. I am a great advocate, and I know the previous Speaker was a great advocate, for the continuation of the Eric Deeral Indigenous Youth Parliament. I think it will certainly continue, because it has an important role.

There are other areas in which we work with our Indigenous community. Our education unit travels the state. We reach out to our primary schools and high schools. We have a constitutional convention. I understand that Queensland is the only parliament in Australia that holds an annual Indigenous students constitutional convention onsite in old Parliament House. I am informed that last year 115 Indigenous students attended that convention. Educational programs were also delivered in Townsville and 47 students participated in the parliamentary education activities. I am informed that our parliamentary education team also conducts cultural awareness training and tours of our parliament for Indigenous groups. That is just one part. Elders who attended a recent conference here were also very impressed with our young leaders.

Mr Clerk reminded me that Queensland is the first, and I understand the only, Australian parliament to employ an Indigenous liaison officer, Brett Nutley. I publicly acknowledge the great work he does.

Mr POWER: Mr Nutley is a real asset to the parliament. He does a great job, and not just with Indigenous people.

Mr SPEAKER: He does a great job. He is a great advocate. Nothing is too much bother for him. When I have joined our education unit on some of their visits to parts of Queensland he is always there. He is a great advocate. For the *Hansard* record, thank you Brett, keep up the good work, we are proud of you and I know all of our Queensland elders are proud of you too.

Mr POWER: He is not here to hear that.

Mr SPEAKER: He might see it in *Hansard*. Mr Clerk is asking me to move on. I only have 15 minutes left. In addition, the Queensland Parliamentary Service has adopted a number of long-term initiatives to build respectful relationships such as the Speaker acknowledging the traditional custodians of the land on which the parliament meets at the commencement of each sitting of parliament, Aboriginal and Torres Strait Islander flags flying in four locations on the precinct, including in the Legislative Assembly chamber, and since 2009 the service has provided Reconciliation Queensland with a meeting room for their monthly meetings free of charge.

Mrs MILLER: Our electorate officers work very hard. As unemployment is going up and as the cost of living is going up as well our electorate officers are at the forefront of some of the anger of members in our community and they tend to cop it. What is the staff turnover rate for electorate officers in the state? What is being done to assist them when they are attempting to deal with these issues? Has that rate changed over the years?

Mr SPEAKER: Over the last two governments we have seen a significant turnover of members of parliament—an historic turnover for Queensland. This has also led to a significant change in office staff. When you and I first started it was a simple process to be an electorate officer—to sit there, to work the computer, to answer the phone and to send some messages. Today, I think it is a very specialist job.

Mrs MILLER: It is.

Mr SPEAKER: To be an electorate officer in our parliament serving our members is a specialist job. I would urge whoever gets elected at the next election to consider making sure they employ people who have the skills and understand what is required. Mr Clerk, can you help me with some more of the detail?

Mr Laurie: The first part of your question relates to the turnover rate. On average the turnover rate is about 30 per cent annually.

Mrs MILLER: Thirty per cent; that is extraordinary.

Mr Laurie: Yes. That is a long-term average. There is a whole raft of reasons for that. As you would be aware, there are some members who have had staff for an incredibly long time. Some electorate officers have been there for 25-plus years. There is a high turnover. We put through some minimum requirements for the selection of people to go into those electorate offices, but largely the selection is at the hands of the member. We appoint on the recommendation of the member, as long as the member can satisfy us of some minimum requirements. I think some of the issues around turnover actually lie in the selection processes.

What we do for electorate officers is, firstly, try to provide them with a safe environment in which to work. Recently we provided the Speaker with an electorate office security review—our second review. Mr Speaker has indicated that he wishes to take that to the Committee of the Legislative Assembly. That is a review to make sure that we are maintaining their workplaces in a safe way. Mr Speaker just reminded me that, as part of that review, the Queensland Police Service plus our own people visited each and every electorate office and did an audit of security which fed into the review.

In addition to that, we try to provide electorate officer training. Some of the courses we conducted in the last financial year and will no doubt conduct in the next year—and we may increase this list—included: code of conduct; network security; workplace harassment and how to deal with that; workplace health and safety; ergonomics; manual handling; conditions of employment; electorate office security—this advises electorate officers how to react in certain circumstances; travel allowance acquittal; working in an electorate office; and dealing with the challenging behaviours of clients, which is what you alluded to in your question. We have support from both the QPS and the Queensland Fixated Threat Assessment Centre, which is something relatively new, to provide support to members and staff in electorate offices. We are trying to do what we can in terms of training and support, but we still do have a high turnover rate.

Mr SPEAKER: With the restructure we have now created an electorate office liaison service that answers directly to the electorate services section to provide that ongoing support of our electorate officers because there has been an acknowledgement of the range and diversity of work they do and the specialist issues they deal with. The parliament has acknowledged that. Do you want any more information about that service to support our staff?

Mrs MILLER: No. It is about the wellbeing of our electorate officers. If one in three electorate officers are leaving every year there is something seriously wrong. I know you are trying to deal with that matter, but it is about the wellbeing of those officers themselves. The reason they may be leaving is because they do not believe the support is there.

As we know, there are different types of electorates. Mine is very different to the inner-city Brisbane electorates and rural electorates. They are dealing with harrowing issues on a daily basis. I know that we have the employee assistance service, but there is something seriously wrong. I think more needs to be done to assist them.

Mr SPEAKER: Can I also pick up on the issue that you raised this time last year about the availability of relief staff. That matter has been taken to the Committee of the Legislative Assembly, the leadership team. We have been looking at the electorate officer position description. You and I understand—and we have just been acknowledging—that electorate offices run differently and different issues are front and centre.

The parliament formed the view that we really need to provide additional support to our staff. The electorate office liaison service has been created to provide that additional support and to feedback directly to the Clerk, the Speaker and the CLA so that we can better help our electorate officers. We also need strong feedback and support from members of parliament. We have electorate officers involved in these discussions and on this committee. We could talk about this all day, but I know that time is limited. I am happy to have further discussions with you on this later.

Mr Laurie: I will add one thing that is relevant to the question. If I were looking at an office that had a 30 per cent turnover rate objectively, as you said that is an indication that something is wrong. The thing is that we are actually not dealing with an office that has a 30 per cent turnover rate. What we are effectively dealing with is 92 offices that collectively have a 30 per cent turnover rate. Some of those offices have not turned over for years and some have a lot of turnover.

There are lots of reasons for that, as I tried to allude to before. Part of the issue, I think, is with the selection of the correct people for the positions. That is a significant issue. As you have said, these are not easy roles. I think that there are particular people who are well suited to those roles and they are the people who we have had in those roles for 20 to 25 years. Then there are other people who come into those roles thinking that those roles are much different to what they turn out to be. Part of the reason for the turnover is that often times we select the wrong people to go into those roles.

Mrs MILLER: How can it be that assistant electorate officers who are relieving in the electorate officer position get paid less when they are relieving and they do it every year?

Mr Laurie: I do not think that is correct, member for Bundamba.

Mrs MILLER: It is correct.

Mr Laurie: Not according to the manager of HRM, Peter Morris. I am more than happy to look at any particular circumstance to see what could be behind that because it does not make sense.

Mrs MILLER: It has been fixed, Mr Clerk, but you cannot have a situation where an assistant electorate officer at the top of the range is paid less when they are relieving at the lower range of electorate officer. I just bring that to your attention for those who are long-term staff members.

Mr Laurie: You are talking about a high rate assistant electorate officer acting as an electorate officer at the lowest rate?

Mrs MILLER: Yes, and they actually get paid less for relieving in the higher position on occasions.

Mr Laurie: Can I ask Peter Morris to deal with that issue?

Mrs MILLER: Yes, because they are actually doing two jobs for less money.

CHAIR: Mr Morris, the answer will have to be quick because the member for Chatsworth has a question.

Mr Morris: I am happy if it is quick. An assistant electorate officer doing higher duties in the electorate officer role would go to the next available pay point. They would not necessarily be paid exactly the same as the person they are replacing, but they would never go backwards. If somebody has gone backwards that is incorrect and can be fixed.

Mrs MILLER: That could be fixed?

Mr Morris: Yes.

Mr MINNIKIN: My question pertains to the notion of security, specifically question on notice No. 20. Can you advise how the Legislative Assembly information technology system is protected against cyberthreats, including ransomware, and when the parliamentary IT system was last audited against such threats?

Mr SPEAKER: I will pass that question over to the Clerk and our IT staff to respond to.

Mr Laurie: I will deal with security briefly. I know you will probably want to ask a couple of questions so I will try to deal with this in a short way. Currently we have a range of IT controls in place, including: daily backups; routine patching of operating systems and applications; network design; firewall configuration; disabling of untrusted Microsoft macros; and policies and proceedings, including the need for strong passwords and a limited number of users with administrative privileges. In addition, following consultation with the cybersecurity team within the Queensland government's Chief Information Office, the Parliamentary Service has taken up a corporate AusCERT membership which provides additional first-response capabilities. AusCERT is an independent, not-for-profit cybersecurity group based at the University of Queensland to assist organisations to prevent, detect, respond and mitigate cyber and internet based attacks.

In terms of your particular issue about audits, in June 2017 the Parliamentary Service audit management group endorsed and I approved that in 2018 the Parliamentary Service undertake a cybersecurity audit using a third-party provider. As part of its capability development, in 2018 the Parliamentary Service will also undertake penetration testing exercises to identify and respond to any vulnerabilities, consider the use of multifactor authentication and assess what additional awareness and training may be required for members' electorate officers and staff.

Mr MINNIKIN: That is going forward, but there has not been one done—

Mr Laurie: No, we have not done an audit. We were due to do an audit around about now or this year. Given some of the changes that we are proposing to implement—and we currently have a team looking forward in terms of some changes we are making—we thought it prudent not to do the audit

and then change the system, but to change the system and then conduct the audit. We are complying with the general advice that has been given. If you wanted more details I can ask Janet Prowse, the Director of Information Services, to provide more details.

Mr MINNIKIN: Yes, please.

Ms Prowse: As the Clerk said, we do have a number of controls already in place. We comply with the Australian Signals Directorate's eight essential controls. I can give you an outline of those if you want?

Mr MINNIKIN: Offline I would appreciate that.

Ms Prowse: Sure. We have controls in place. We are already aware of that and we patch and backup et cetera. We have some plans for next year, as the Clerk said. Perhaps that is why we do not sense that we need to do an immediate audit.

Mr MINNIKIN: As we speak, right now, today we are still vulnerable to a cyberthreat, given the fact that there is no audit that has been done recently and that it will be done in the future?

Ms Prowse: I think if you look at the UK parliament's attack from ransomware that was primarily to do with weak passwords on members' emails. We certainly have stronger password controls here. That is one of the controls.

Mr Laurie: I think the one thing we all should have learned from the Census fiasco, if you like, in Canberra—

Mr MINNIKIN: That is your word, Mr Laurie, not mine.

Mr Laurie: Yes—was that one should never say one is not vulnerable to cyber attacks. To say that is an open invitation for people to try it and probably succeed. I think it would be foolish for any of us here to say that. We are doing what we are advised to do. We are following procedures that are generally available. I cannot give you a guarantee that there is not somebody cleverer than everyone else.

Mr SPEAKER: Member for Chatsworth, if you have a particular interest, I am more than happy for you to have one-on-one meetings in private if need be to further discuss some of the matters that our parliament is looking into.

Mr MINNIKIN: Thank you, Mr Speaker.

CHAIR: I understand the member for Toowoomba South has a question. This will be the last question.

Mr JANETZKI: Mr Speaker, I note your earlier comments in relation to our Indigenous youth parliament. Could you outline the plans for the regional youth parliament in Cairns in September 2017?

Mr SPEAKER: It is still being developed. It is in the diary. I am also scheduled to meet with some of our schools with our Indigenous leader, Brett Nutley, and our education unit. It is not finalised at this stage. Recently we were at Roma for a regional youth parliament when the flooding was happening out there. We got out before we were isolated. Many students travelled a number of hours to attend that sitting. It was a great occasion. I think the students and the members thought it was really beneficial.

Mr Laurie: When the education unit goes to regional areas such as Cairns, and depending upon the region, we tend to do a lot of projects all at the same time. There will be a youth parliament. That will probably occur on the Thursday. During the course of that week, we will be having Public Service seminars. We will be having some public education seminars. We are going to Rotaries, Probuses and Lions groups, doing things of that nature. It is more a package of activities that occurs at that time. Teacher education is another one.

CHAIR: The time allocated 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 would like to take a moment to acknowledge this hearing as Mr Speaker's last estimates process in his role not only as Speaker but also as a member of the Queensland parliament. We thank you for your cooperation with us in the past year's committee hearings and thank you for your contribution to parliament.

Mr SPEAKER: Thank you very much.

CHAIR: I thank the Speaker and the parliamentary officers for their cooperation. The transcript of this session of the hearing will be available on the Hansard page of the parliament's website within two hours. The committee has concluded its examination of matters relating to the Speaker and related entities referred to it by parliament. Before I conclude, on behalf of the committee I thank Hansard staff,

the secretariat and attendants for their assistance. The committee will resume with the examination of the proposed expenditure for the areas of responsibility administered by the Premier and Minister for the Arts at 10.15 am.

Proceedings suspended from 10.04 am to 10.15 am

ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—PREMIER AND CABINET AND THE ARTS

In Attendance

Hon. A Palaszczuk, Premier and Minister for the Arts

Mr D Barbagallo, Chief of Staff

Department of the Premier and Cabinet

Mr D Stewart, Director-General

Mr G Fraine, Deputy Director-General, Policy

Public Service Commission

Mr R Setter, Chief Executive

Queensland Audit Office

Mr B Worrall, Auditor-General

Queensland Family and Child Commission

Ms C Vardon, Principal Commissioner

Queensland Art Gallery

Mr C Saines

Queensland Museum

Professor S Miller, Chief Executive Officer

Screen Queensland

Ms Tracey Vieira



CHAIR: The committee will now examine the Appropriation Bill 2017 and the estimates for the areas of responsibility administered by the Premier and Minister for the Arts. On behalf of the committee, I welcome the Premier, the director-general, departmental officers and members of the public to the hearing. The committee will consider the estimates for the portfolio until 1.30 pm. The committee will suspend proceedings for a short break at 11.45 am, resuming at 12 pm. The visiting members are Mr Tim Nicholls, Leader of the Opposition, shadow minister for arts and major events, and member for Clayfield; Ms Di Farmer, member for Bulimba; Ms Joan Pease, member for Lytton; and Mr Steve Dickson, member for Buderim.

I remind those present this morning that the committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. It is important that questions and answers remain relevant and succinct. The same rules for questions that apply in parliament also apply in this hearing. I refer to standing orders 112 and 115 in this regard. Questions should be brief and relate to one issue and should not contain lengthy or subjective preambles, argument or opinion.

I intend to guide proceedings today so that relevant issues can be explored fully without imposing artificial time limits and to ensure there is adequate opportunity to address questions from government and non-government members of the committee. For the benefit of Hansard, I ask officials and advisers to identify themselves the first time they answer a question referred to them by the Premier or the director-general. I now declare the proposed expenditure for areas of responsibility administered by the Premier 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, I do. Thank you, Chair, and members of the committee. Thank you for the opportunity to discuss the 2017-18 budget—my government's third budget. This is my government's third budget to invest in job creation. Since the last election, 69,300 jobs have been created in

Queensland. This budget will support 40,000 jobs over the next 12 months. This is my government's third budget to deliver for infrastructure. We have committed more than \$42.75 billion for our capital program over the next four years. We are doing this without privatisations.

This is my government's third budget to make record investments in health and education. This is my government's third budget to restore front-line services for our growing and decentralised state. Since the election we have delivered additional staff including 3,170 nurses, 1,190 doctors, 3,095 extra teachers and teacher aides, 330 police, 250 ambulance officers and 205 fire and emergency services officers. Not only have we had to restore front-line services from the LNP cuts; we have been planning for growth. I seek leave to table the Public Service Commission's quarterly workforce report for March 2017.

CHAIR: Is leave granted? There being no objection, leave is granted.

Ms PALASZCZUK: Electricity prices have been stabilised after dramatic increases under the LNP. Despite the mess of the national electricity market, we have kept downward pressure on electricity prices. Electricity price increases have been held at an average of 1.9 per cent per annum under my government. We have done this because we are keeping our energy businesses in public ownership; developing additional energy resources and reopening Swanbank E, mothballed by the member for Clayfield; and providing concessions to Queenslanders on their electricity bills.

If electricity price increases of 43 per cent from the LNP's time in office continued, average electricity bills would be more than \$600 higher this financial year. On the Q&A program last night, Matt Canavan acknowledged the real reason for wholesale electricity price increases when he said—

One of the problems we've had is we didn't plan for the closure of Hazelwood.

Let us be clear: Hazelwood is a privately owned power station in Victoria—Josh Frydenberg's home state—and the lack of planning is for the broken NEM.

As an export state, Queensland merchandise exports have reached a record \$63.5 billion, and the value of primary industries production is forecast to be \$19.95 billion. As a tourist state, visitor numbers continue to grow strongly, with Australian domestic overnight travellers spending \$15.3 billion—more than ever before. Another 2.6 million international visitors are pumping a record-breaking \$5.2 billion into the state's economy.

Our budget is in stark contrast to the federal budget delivered in May. The Turnbull government has ignored Queenslanders. It now refuses to fully contribute to the recovery and reconstruction of Queensland communities devastated from severe Tropical Cyclone Debbie. Rather than match our \$110 million commitment, Malcolm Turnbull will provide only \$29.3 million. Our government is determined to keep our commitments to those Queenslanders devastated by Debbie.

I can confirm today that we will honour our commitment of \$110 million and continue to apply pressure on the Turnbull government to provide full funding for these communities. I am advised that officers of Emergency Management Australia are now seeking more details about Shute Harbour, so perhaps there will be a rethink in Canberra. The Deputy Premier and I will today meet with mayors from some of the worst affected areas and the LGAQ following this estimates hearing to prioritise work on the funding available. We will not leave any Queenslanders behind.

CHAIR: I call the member for Clayfield to commence questioning.

Mr NICHOLLS: Premier, following the machinery-of-government changes after the resignation of the member for Sandgate after the 'rail fail', the number of ministerial staff has increased from 202 to 209. Why is that?

Ms PALASZCZUK: I am advised that the figure of 209 budgeted positions for 2017-18 is less than the 212 budgeted positions for the last full financial year of the government you were part of.

Mr NICHOLLS: I understand that because we had 11.8 staff per minister and you have 12.3. You have increased the number of staff from 202 to 209. For example, Minister Bailey gains two extra staff when his ministerial responsibilities do not change. The Deputy Premier gains two extra staff when she lost two ministerial portfolio responsibilities and picked up only one.

Ms PALASZCZUK: Minister Bailey had biofuels added to his portfolio, I recall.

Mr NICHOLLS: No. The description in the SDS is exactly the same.

Ms PALASZCZUK: From time to time, as Premier I have the ability to look at people's workloads. I meet with the ministers to discuss those workloads and I make the decisions in the best interests of administering government. Let us be very clear: there were more budgeted positions for the last financial year under the Newman-Nicholls government than there are currently.

Mr NICHOLLS: Yes but, Premier, perhaps if I could ask you—

Ms PALASZCZUK: I can also clarify—

Mr NICHOLLS: Mr Chair, I am asking—

Ms PALASZCZUK: I am answering the question.

Mr NICHOLLS: Mr Chair, I am cognisant of your ruling.

Ms PALASZCZUK: I can also add that Minister Bailey gained other sections of Transport and Main Roads—for example, taxis and heavy vehicles. They are very important issues for the government.

Mr NICHOLLS: It is the case that an extra seven staff were put on after the ministerial reshuffle following the member for Sandgate's resignation after the rail debacle. There are seven additional staff and at a higher ratio than the previous government, given that there was an extra minister in the previous government.

Ms PALASZCZUK: I can say that we are still well within our budget. You can allocate staff as long as you are within your budget.

Mr NICHOLLS: Let me explore that. Your budget continues to increase.

Ms PALASZCZUK: My director-general has added—I might get him to clarify this as well—that you wrote apparently wanting a change in your staff profile for the opposition office and that was granted.

Mr NICHOLLS: My staff numbers have not changed at all. They are still at 22. It was a change in the classification of employees.

Ms PALASZCZUK: Exactly.

Mr NICHOLLS: There was no increase in the opposition staff at all over that period of time, but we have seen an increase in the ministry last year and now we have seen a resignation and additional staff.

Ms PALASZCZUK: We are still under budget. We are managing our budgets.

Mr NICHOLLS: What was the reason for the additional seven staff given, for example—

Ms PALASZCZUK: Very clearly, I can speak to ministers and, as Premier of this state, I can allocate resources to those ministerial offices as I see fit, just as you can work out classifications in the Leader of the Opposition's office as you see fit.

Mr NICHOLLS: Those ministers needed additional staff to do their jobs; is that right?

Ms PALASZCZUK: I am allowed to allocate staff as I see fit, and that is exactly what I have done. I look at the portfolios and I look at the amount of work they have to do and I respond accordingly.

Mr NICHOLLS: So the ministers needed additional staff to do their jobs after you had spoken to your ministers?

Ms PALASZCZUK: I am allowed to speak to my ministers and I am allowed to allocate staff as I see fit. As I said, let us get back to the core issue. The core issue is that we are still well under budget.

Mr NICHOLLS: I appreciate what you are saying. What I want to get to the core of is that seven additional staff were required—202 to 209—following a reshuffle—

Ms PALASZCZUK: This is the biggest issue in the budget? Seriously. This is your biggest issue?

Mr NICHOLLS: No. There will be other issues—don't worry about that. There is more to come.

Ms PALASZCZUK: It sounds like you are echoing a former premier.

Mr NICHOLLS: What I want to know is: is it the case that your ministerial staff required additional help to carry out their duties and that is why you allocated them the seven extra staff?

Ms PALASZCZUK: Let me be very clear: as Premier of this state I will allocate additional staff to ministers. I will speak to those ministers, I will look at the workloads the ministers have, I will look at the responsibilities and I will allocate ministerial staff as I see fit.

Mr NICHOLLS: Having done all of that, was it your view that those ministers needed extra staff to do their job?

Ms PALASZCZUK: As I said, I will allocate staff as I see fit and that is exactly what I have done.

Mr NICHOLLS: Yes. You have said that a number of times now. The question is, though, having done all of those consultations, discussions, reviews and investigations—all of those sorts of things—you must have formed a view that someone needed some additional staff to do their job; otherwise, why would we have another seven ministerial staffers on the payroll?

Ms PALASZCZUK: I make those decisions. That is entirely my prerogative.

Mr NICHOLLS: You made the decisions. We have the numbers in the papers. I am trying to ascertain whether that is the case because those ministers needed additional assistance to do their work. It is a pretty simple question.

Ms PALASZCZUK: I am allowed to allocate the ministerial staff as I see fit. Mr Chair, I believe that I have answered this question. It is getting repetitive.

Mr NICHOLLS: Let us move on. There is no answer to that question; let us move on to the next one. Premier, in terms of the role of your department in supporting cabinet and ensuring the 'delivery of a robust system of government', can you advise what the terms of reference were for the initial joint investigation into Minister Bailey's deletion of his emails after his office received an RTI request?

Ms PALASZCZUK: The matter is still currently before the CCC.

Mr NICHOLLS: There must have been terms of reference for the initial inquiry by the DPC into Minister Bailey's deletion of his email accounts.

Ms PALASZCZUK: There was a question on notice, No. 15, to which I responded—

As directed by the Crime and Corruption Commission, the Department of the Premier and Cabinet ... has worked collaboratively with the State Archivist in undertaking the review into the private email account of the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply.

The position description and salary classification of DPC staff involved in the review are as follows:

- Deputy Director-General, Corporate and Government Services ...
- Principal Policy Officer, Government Services, Corporate and Government Services ...

The review has been undertaken within existing DPC resources. Crown Law has provided advice for the review.

As the Leader of the Opposition is well aware, this matter is currently before the CCC and I am not going to jeopardise that investigation. I am going to let the CCC do its job.

Mr NICHOLLS: The question is not to do with what the CCC is doing. The question is to do with what the terms of reference were for the DPC investigation into Minister Bailey and the deletion of his emails. For example—

Ms PALASZCZUK: The director-general is happy to answer that question.

Mr NICHOLLS: I am not asking the director-general; I am asking—

Ms PALASZCZUK: I am allowed to allocate whoever—

Mr NICHOLLS: No, you are not.

Ms PALASZCZUK: Yes, I am.

Mr NICHOLLS: I am asking you.

Ms PALASZCZUK: I am allowed to allocate whoever I want to answer that specific question. You are asking now about the DPC terms of reference. I am now asking my Director-General of DPC to talk about that matter.

Mr Stewart: Initially when the investigation was being undertaken by me we developed a set of terms of reference, but the terms of reference and the whole process changed very radically as soon as I think either you or Mr Emerson referred the matter to the CCC. At the end of the day, the CCC undertook that investigation. As the Premier said in the answer to the question on notice, my deputy director-general took over. I think you will recall the circumstances around that. The CCC have managed that investigation with the deputy director-general, so I think it is a matter you would need to ask the CCC about.

Mr NICHOLLS: In fact, the initial inquiry was established through DPC.

Mr Stewart: Yes, it was.

Mr NICHOLLS: Was it you who set the terms of reference for the inquiry?

Mr Stewart: We developed a set of terms of reference in consultation with the State Archivist, but the terms of reference became—we did not take the matter forward. I did not take the matter forward.

Mr NICHOLLS: No, I understand. You excused yourself from it.

Mr Stewart: I did.

Mr NICHOLLS: But the initial terms of reference were set by DPC?

Mr Stewart: We wrote a set of terms of reference.

Mr NICHOLLS: Did you consult with the CCC in relation to those terms of reference or did you seek crown law advice?

Mr Stewart: I would have to take that on notice. I will talk to my deputy director-general and find out.

Mr NICHOLLS: Okay.

Mr Stewart: In essence, the CCC took over the investigation. It is a matter for the CCC.

Mr NICHOLLS: I just want to get to the nub of the initial—

Mr Stewart: I think the clear thing is, yes, we did have a set of terms of reference but the matter then went before the CCC. I am happy to ask my deputy director-general, but the clear issue is, yes, we did consult the CCC, so my deputy director-general has advised me.

CHAIR: Mr Stewart, if you could give me a moment. Premier, do you wish to take that question on notice?

Mr Stewart: There is no reason. I have answered it. The CCC were consulted.

Ms PALASZCZUK: Chair, they should refer to the SDS before asking these questions. This is an estimates of the budget, and the member for Clayfield has not referred to the SDS in asking these questions.

Mr STEVENS: I raise a point of order, Mr Chair. We have had clear advice on that already. We do not have to refer to the SDS on these matters, as long as it is a budgetary matter.

Ms PALASZCZUK: As long as it is a budgetary matter?

Mr NICHOLLS: Indeed. I am happy to refer to you page 4 of the SDS which refers to supporting government and the delivery of a robust system of government, and that is what I said at the beginning of my question. I want to be clear because there was a bit of backwards and forwards and notes being passed backwards and forwards

Mr Stewart: So I—

Mr NICHOLLS: Hang on, let me ask the question, Director-General. Your anxiety to answer it is noted but let me—

Mr Stewart: I am always happy to answer questions.

Mr NICHOLLS: I know you are. The initial terms of reference that were developed by DPC for the investigation by the State Archivist and DPC into the deletion of the emails by Minister Bailey were set by DPC in consultation with the CCC. That is, the initial terms of reference were set in consultation with the CCC?

Mr Stewart: Yes, that is the advice my deputy director-general has just provided.

Mr NICHOLLS: That is fine.

Mr Stewart: Again, the matter has been taken over by the CCC.

Mr NICHOLLS: Understood. My next question, Premier, is to you in relation to this matter. Have you or your office or your senior departmental officers had any conversations with the CCC about the investigation into Minister Bailey's deletion of the emails over and above the conversation you must have had about the draft terms of reference for your own inquiry into Minister Bailey?

Ms PALASZCZUK: I can answer for myself: I have had no contact with the CCC about this matter at all.

Mr NICHOLLS: The question was further to members of your office and senior departmental staff having had conversations—

Ms PALASZCZUK: I would have to check all of that. I cannot answer that.

Mr NICHOLLS: Will you take that question on notice and respond after inquiry with your staff and your senior staff, or perhaps the director-general can?

Ms PALASZCZUK: Dave Stewart can answer in relation to departmental staff.

Mr Stewart: Again, I think you are aware and I think the CCC put out a media statement in relation to my discussions with the CCC about standing aside, so I think that is very clear. In relation to my senior staff, my deputy director-general has been working very closely with the CCC in relation to this matter. I can find out which other departmental staff but she certainly has. I know, as you know, that the CCC asked us to work very closely with the State Archivist, and I understand that my deputy director-general has.

Mr NICHOLLS: I understand.

Mr Stewart: I have not spoken personally to the CCC on the matter since that time, because I do not think it is appropriate.

Mr NICHOLLS: No, I understand. You will appreciate that we agreed entirely with what you did there in standing aside.

Ms PALASZCZUK: I can advise that my chief of staff has had no conversations whatsoever with the CCC in relation to this matter. I am happy to confirm with the other staff, but I would find it highly unlikely that any of them have.

Mr NICHOLLS: So you will take that question on notice and respond after making inquiries?

Ms PALASZCZUK: Yes, I am happy to take it on notice.

Mr NICHOLLS: In terms of the terms of reference that were set by DPC after consultation with the CCC, have the CCC indicated that they are either happy or unhappy with the terms of reference for that inquiry and have they sought further advice in relation to that with your departmental officers?

Ms PALASZCZUK: In relation to that, the chair of the CCC will be appearing at an estimates hearing later this week. Perhaps the Leader of the Opposition could ask those questions, if he chose to, directly with the chair.

Mr Stewart: I just need to consult.

Mr NICHOLLS: Sure.

Mr Stewart: My deputy director-general said that the CCC noted the terms of reference and she has advised me that those terms of reference have been followed as part of the investigation. Again, to go back to the point the Premier has made, I think that is a point you should direct to Mr MacSporran as the head of the CCC.

Mr NICHOLLS: And we will do so, but there is always more than one line of inquiry in these circumstances. So the question has been put to you. Have they expressed satisfaction? You say that they have noted the terms of reference. Have they expressed satisfaction or dissatisfaction? Are they too narrow, too wide or not specific enough in relation to that matter?

Mr Stewart: My deputy director-general has said that they noted them and they have been following them ever since as part of the investigation.

Ms PALASZCZUK: Chair, they are also matters of opinion.

Mr Stewart: This is a matter before the CCC. I do not know what more we can say.

Ms PALASZCZUK: Chair, these are questions of opinion which breach the standing orders.

CHAIR: That is correct, Premier.

Mr NICHOLLS: No, I am asking whether the CCC has confirmed whether or not the terms of reference are too narrow or too wide. That is a question as to what the CCC have said, not what their opinion of it is.

Mr Stewart: To answer that question, Mr MacSporran I believe is here later in the week. It would be a good question for him as the chair of the CCC. The advice I have from my deputy director-general who has been coordinating on this is that the CCC has been monitoring the investigation very closely. I do not know what more we can say. If you want an opinion from the CCC in relation to the terms of reference, then that is something you should ask Mr MacSporran directly.

Mr NICHOLLS: No, I am not seeking an opinion about the terms of reference. I am asking whether they have expressed to you—

Mr Stewart: They noted them.

Mr NICHOLLS:—satisfaction or dissatisfaction with the terms of reference or have they—

Mr Stewart: They have not expressed anything to me since me handing over the investigation to my deputy director-general.

Mr NICHOLLS:—to your office?

Mr Stewart: The advice I have from my deputy director-general is that they have been monitoring the investigation and they noted the terms of reference.

Mr NICHOLLS: Let me turn the question around in that sense. Have they expressed to your office any dissatisfaction with the terms of reference?

Mr Stewart: I will check. My deputy director-general says that the CCC has confirmed the methodology was thorough and appropriate. I would suggest that means the terms of reference are thorough and appropriate, and I do not believe they have said anything—

Mr NICHOLLS: Let me ask it this way. Have they said anything about the terms of reference?

Mr POWER: Is this repetitive questioning?

Ms PALASZCZUK: Yes, it is.

Mr POWER: This is the same question being asked eight or nine times.

Ms PALASZCZUK: Chair, there is a standing order which talks about repetitive questioning. We have made it very clear that the department has been cooperating. I think the director-general has made that very clear today. This matter is under ongoing investigation by the CCC. The chair of the CCC will be appearing later this week, and he can answer any precise questions that the Leader of the Opposition or any member of the committee may have in relation to that investigation.

Mr NICHOLLS: Thanks, Premier, but it is not up to you to tell me who I can ask my questions to. My question is to the director-general. Has the CCC sought any further information from your department in relation to the deletion of the emails?

Mr Stewart: If you do not mind, I will ask my deputy director-general again.

Mr NICHOLLS: Of course.

Mr Stewart: My deputy director-general has said, other than the points I have already raised, that they noted the terms of reference. They have been monitoring it. They have confirmed that the methodology is thorough and appropriate, and my deputy director-general says that as part of the interaction they ask questions. They have asked questions.

Mr NICHOLLS: So they have sought further information from the investigation or the DDG or the department in relation to the emails?

Mr Stewart: I believe as part of the monitoring process. Again, this is a matter for the CCC, but as part of their interaction I think they have been following it and asking for clarification in relation to whatever has been provided. I have not been involved so I cannot personally answer your question.

Mr NICHOLLS: I understand that you are not involved in it. That is very clear.

Mr Stewart: It is very hard for me to answer a question when I am not involved.

Mr NICHOLLS: I understand, and that is why there is a battery of people behind you to give you that support.

Mr Stewart: There is a battery of people—very highly qualified and competent people.

Mr NICHOLLS: Indeed. That is why I asked the question, 'Have there been further questions asked of the department by the CCC in relation to the investigation into it?' You have told me there have been further follow-up inquiries made by the CCC to your department in relation to the report submitted.

Mr Stewart: That is the advice I have just received.

Mr NICHOLLS: Thank you.

CHAIR: I will now hand over to the member for Logan for his first question.

Mr POWER: I refer the Premier to page 5 of the Service Delivery Statement in reference to the Queensland Disaster Management Committee. As the member for Logan, this is an important question to me. Can the Premier advise the committee of the process for the category D application for communities devastated by severe Tropical Cyclone Debbie?

Ms PALASZCZUK: I thank the member for Logan for that very important question, because we know how much devastation Cyclone Debbie caused such a large part of Queensland. In fact, I think we have a map that shows the devastation that was caused right across the state. The councils that were impacted by the cyclone and the aftermath of the floods nominated the projects that were included in my government's submission for category D, the business case.

To that end, on 11 May I sent a formal NDRRA category D application to the Prime Minister for the affected communities. The application sought \$220 million with the funding to be shared equally, 50-50 by the Queensland government and the federal government. We expected a matching fund of \$110 million. As you know, today I have confirmed our commitment, and it was also very clearly stated in the budget papers.

The Queensland Reconstruction Authority has been liaising with Emergency Management Australia since 11 May, and I am advised that on 8 June officers of the Queensland government provided final information to the Commonwealth about this matter. I am further advised that my government was not asked to provide any further information after 8 June. Nevertheless, Queensland government officials were in regular contact with Emergency Management Australia to check on the status of the application.

I had also personally raised this issue with the Prime Minister when we were in Hobart at the COAG meeting in June. We know how important the NDRRA is, and the guidelines for that category state—

A Category D measure is an act of relief or recovery carried out to alleviate distress or damage in circumstances that are ... exceptional.

Approval is by agreement between the Prime Minister and the Premier. The funding split is also by agreement. In the past the most common has been fifty-fifty state-Commonwealth funding. Frankly, I am not going to put up with being short-changed by the Commonwealth government when it comes to disaster recovery in this state. What I would like to see is a bipartisan approach when it comes to this. However, have we heard from the opposition in relation to this? Not at all. We have hardly heard anything positive when it comes to this. In the letter that was sent to me—and I have a copy of it here—by the Prime Minister dated 13 July, he said—

Unfortunately, the remaining projects proposed are not suitable for funding as they fall outside the scope of the NDRRA or because there has not been enough evidence provided to establish the need for the measures. This includes the request for the construction of a levee in Rockhampton.

Frankly, the member can talk to the member for Rockhampton and the member for Keppel about the need for the levee. I personally spent a lot of time there when the floods were occurring and it was quite clear that the community wants that levee built. I cannot understand why there is not support for that. We do know that there is someone who does back the levee and who did in the past—that is, David Crisafulli, who I think could be entering this parliament after the next election. He said that he was sold on Rocky's council flood levee proposal when he was minister. There you go; that is very clear. Even a former LNP member of this House supported that levee.

I think it is very clear that we need to do everything possible. As I advised the committee, a number of mayors are going to be arriving in Brisbane today. They are very concerned about the lack of commitment that they are seeing from the federal government when it comes to backing their communities that were so severely impacted in the aftermath of Tropical Cyclone Debbie.

CHAIR: I refer the Premier to page 4 of the Department of the Premier and Cabinet SDS and the role of the DPC in supporting energy policy. What action is the government taking to improve energy security to protect and create jobs in Queensland?

Ms PALASZCZUK: I thank you very much for that very important question, because secure and affordable electricity is critical for Queensland families and businesses. When we saw the national energy market fail in Queensland I was determined to pull every lever available, and I was not going to accept price increases proposed by the Queensland Competition Authority as a result of national market failure. Queensland is in a unique position. We are an energy powerhouse state—an exporter of electricity. We have an efficient and young fleet of generators. In fact, if we look at the wholesale prices at the moment on the national electricity market website we see that Queensland is the lowest, at \$59.88, with New South Wales at \$69.98 and Victoria at \$133.38—we can take a screenshot if that is what the member for Mermaid Beach is suggesting. I will be visiting the Gold Coast very shortly. I am looking forward to it. There is a lot; you wait and see. There is quite a lot down there. South Australia is at \$123.55, Victoria is at \$133.36 and Tasmania is at \$126.53. At the moment we are exporting into New South Wales 878 megawatts and another 113. That is what Queensland is doing at the moment. We are the heavy lifters when it comes to power in the nation.

We are also ranked No. 1 around the world for family owned rooftop solar PV. The output of the homes of hundreds of thousands of Queenslanders makes them our second-largest power station, and we have a gas industry that is the envy of every other state. When we were faced with the prospect of higher prices and supply risks, we were in a very good position to act decisively in the interests of our

economy and families. The Powering Queensland Plan is a \$1.16 billion investment to keep downward pressure on prices and ensure a secure and sustainable energy supply. We use \$770 million of dividends from our energy companies to pare back the price increases recommended by the Competition Authority. Queenslanders can use the dividends in this manner because we own the generators. Because Queenslanders still own our power assets, the government has the ability to operate more policy levers. This has allowed the government to intervene in the market, as Minister Bailey has done to direct Stanwell Corporation on how to operate at times of extreme demand.

The result of our ability to reinvest those dividends is that electricity prices on the average household bill will have increased by just 1.9 per cent per year on average under our first term. By way of contrast with other states—I think it is very important that members of the committee really appreciate what the price increases have been around the rest of Australia—in South Australia and the ACT there will be a 19 per cent price increase, in New South Wales 11.5 per cent and in Victoria 9.6 per cent. Even these numbers pale in comparison to the 43 per cent increases we saw under the member for Clayfield when he was the treasurer of this state.

We have also directed Stanwell to take Swanbank E Power Station out of mothballs to make sure that goes into the system. We have appointed Terry Effenev, who was on the Finkel panel, to chair an energy security task force. Their task is to focus on energy security, both short and long term. The Powering Queensland Plan is also about sustainability. We have committed to increasing the mix of renewable energy in Queensland to 50 per cent by 2030. I might leave it there.

Mrs MILLER: Premier, I refer to page 5 of the SDS. It relates to the policy advice and coordination division of the Department of the Premier and Cabinet. I table a document reporting on the world renowned and highly respected firm Wood Mackenzie and their analysis of the impact of the proposed Adani mine in Queensland. Premier, according to the findings of this report, eight mining projects or expansions will be delayed or shelved in Queensland; Bowen Basin output would decline by nearly a third, or 17 million fewer tonnes mined; and the Surat Basin in South-East Queensland, which is yet to be developed, would produce 37 per cent less coal than it otherwise would. I am wondering what modelling or advice your department has completed in relation to the potential impacts of the Adani mine on existing coalmines in Queensland and existing jobs. Will you make this advice publicly available, please?

Ms PALASZCZUK: Can I have a look at that tabled document first, please?

CHAIR: We are getting a copy for you.

Ms PALASZCZUK: While I am waiting to see a copy of that report, I thank you very much for that question. We also know that there have been some recent reports about the mine being built here in Queensland. The royalties that will bring to Queensland will go back into helping to build schools and roads right around the state. There has been some criticism especially in relation to New South Wales because the coal will be sourced from Queensland, not New South Wales, and their level of royalties is actually going to decline quite substantially.

Mrs MILLER: So is Queensland's. In New South Wales 10 new mining projects or expansions will be displaced by the Adani mine, and the Hunter Valley thermal in New South Wales coal output would fall by 86 million tonnes, or 37 per cent.

Ms PALASZCZUK: That is what I was referring to. In relation to—

Mrs MILLER: My issue is whether or not this has been analysed by your department. If so, can we have a copy of that report? We have existing coalmines in Queensland that may shut. Existing coalminers' jobs may be on the line in relation to this project, so what is the point?

Ms PALASZCZUK: Thank you very much for that question. We do know that other coalmines are continuing to operate in this state and also to open up. JFE Steel—I came back from Japan last year—are investing here in Queensland. They have recently opened their new mine. QCoal has opened their new mine. What you are seeing is that the Adani mine is not stopping other investment in this state.

Mrs MILLER: No, it will be going backwards. That is the whole point of my question—that we are looking at existing mines going backwards and maybe even closing.

Ms PALASZCZUK: The coal from the Adani mine will be going to India. The coal contracts that are secured with Japan from other mines will still be needed, will still be going to those countries such as Japan and China.

Mrs MILLER: Existing mines in Queensland mine both coking coal and steaming coal—

Ms PALASZCZUK: That is correct.

Mrs MILLER:—and it is my understanding that the steaming coal from the existing mines goes to India, anyway.

Ms PALASZCZUK: It is very small amounts, I understand.

Mrs MILLER: I come from the mining industry. I am well aware of that. If Adani wanted Queensland coal or even New South Wales coal, why was it not put to Adani that they go to existing mining companies, to buy it directly from existing operators, rather than wanting their own coalmine?

Ms PALASZCZUK: Because they want to control their whole supply chain when it comes to—

Mrs MILLER: Why are we allowing them when they could not purchase the coal from existing mining companies?

Ms PALASZCZUK: They could not. My government has acted in a very responsible manner in terms of working with the company to ensure they have the strictest environmental conditions. We stopped the capital dredge spoil being dumped in the Great Barrier Reef. We made sure it was not going to be dumped in the Caley Valley Wetlands. We organised another site for that. We are not using taxpayers' money to build the railway line. I think the member for Bundamba would appreciate how important jobs are in regional Queensland.

Mrs MILLER: Yes, but these jobs—

Ms PALASZCZUK: You and I represent seats in the southern parts of the state. I know of your long commitment to mining in this state, but I also know that you appreciate the heartache that a lot of families are going through at the moment with the downturn in the resources industry. Many of those families—

Mrs MILLER: There will be a further downturn with Adani progressing. Getting back to my original question, I am wondering if there is any modelling that has been done by the department.

Ms PALASZCZUK: The department has advised me there has been no modelling done through DPC.

Mrs MILLER: Given that I have raised this Wood Mackenzie report today, would you commit to modelling this world renowned resources company that looks at these issues? Would you please look at that, because we have existing mines and existing coalminers in Queensland who are worried sick that their jobs are going to be replaced by the Adani mine, which has a policy of robots working there from pit to port? Would you please undertake to do that modelling work?

Ms PALASZCZUK: I have a firm commitment from the company about employing as many local people as possible. That commitment has been made because they also understand how important it is to grow the jobs in regional communities. Queensland is a resource-rich state. We are also rich in agriculture. We are also rich in innovation. We are also rich in defence industries, which I will come to later, and we are diversifying our economy. At the end of the day, I need jobs for Queenslanders.

Mrs MILLER: And the miners need to keep the jobs that they have. All I am asking is—

Ms PALASZCZUK: We need to grow new jobs as well.

Mrs MILLER:—on behalf of the industry and coalminers, will you commit to modelling the impact in relation to this report?

Ms PALASZCZUK: I am more than happy to have a look at the report. I am more than happy to do that.

Ms FARMER: I reference the role of the Department of the Premier and Cabinet in planning for infrastructure development, and I refer to page 5 of the SDS. Will the Premier please detail the expected benefits of the Cross River Rail project?

Ms PALASZCZUK: I thank the member for Bulimba for the question, because we know how important the Cross River Rail project is for the south-east of our state. Today I was very disappointed to hear that the member for Clayfield and the LNP are not showing bipartisan support for Queensland's No. 1 infrastructure project in this state. It is incredibly important that Cross River Rail be built. After continuing to fight with the federal government for a share of funding, we made the decision in the budget to pursue it under our own steam because every roadblock was put in front of us by the Prime Minister. I do not think it is acceptable that, when Queenslanders pay their taxes, we do not get our fair share of return back from the federal government. It is completely unacceptable and, as we have also said today, it is completely unacceptable that they are not going to back our category D NDRRA funding commitment as well.

Let us go through some of the facts and benefits of the Cross River Rail project. Infrastructure Australia's own figures tell us that congestion will cost our region \$9 billion a year by 2036, so we must go ahead with Cross River Rail. We have never wavered in our support for the project because we know many of the benefits that it will bring. This second rail crossing will ease congestion, improve network reliability and increase accessibility to the CBD. Cross River Rail will include four new stations at Boggo Road, the Gabba, Albert Street and Roma Street and support economic growth and productivity by providing rapid and high-frequency connections between key Brisbane inner-city destinations. It will boost public transport use across the region by 29,000 trips per day in 2036, which will ease congestion by taking 18,500 cars off the road a day. Cross River Rail significantly reduces road congestion costs by 2036, and annual costs avoided are expected to be \$240 million.

Cross River Rail will also create thousands of jobs for Queenslanders. Initial estimates suggest that Cross River Rail will generate more than 1,500 construction jobs a year. Once it is complete it is expected to create around 570 operational jobs each year and support an additional 65,000 jobs within new station precincts, because we know that the new stations will see development occur around them. We will see reduced travel times, especially for people coming from further out of the city. Obviously this is in stark contrast between my government and the LNP, because we have made the commitment. The planning is well afoot; the Cross River Rail Delivery Authority is set up and underway. Early works are due to commence between September and December this year. In fact, the other day we were at the old GoPrint site, which will be utilised for one of the stations.

I firmly believe we have taken the best course of action. My government will deliver Cross River Rail so that people in the south-east will see the huge benefits of this project. On the front page of the *Courier-Mail* today it was interesting to see 'Nicholls on wrong side of track'.

Mr NICHOLLS: A little display of free publicity by the Premier. I am always happy to have those sorts of debates in the public domain.

Ms PALASZCZUK: I am quite sure that if the shoe was on the other foot you would have done exactly the same.

Mr NICHOLLS: Premier, quickly returning to the member for Bundamba's questions, your government obviously is proposing a royalty holiday. Isn't that a subsidy to Adani?

Ms PALASZCZUK: No, because we have said very clearly that all taxpayers' funds will be paid back with interest. Let me make it very clear: the government that you were part of wanted to spend \$500 million of taxpayers' money to build the railway line. The government that you were part of wanted to dump dredge spoil—

Mr STEVENS: Point of order, Mr Chair. In terms of using the word 'you', it is not permissible.

Ms PALASZCZUK: I apologise. That is a very good point. The member for Clayfield in the former government—

Mr NICHOLLS: Mr Chair, you could take another point of order and say that the rules of answering questions are not to argue or debate the questions.

Ms PALASZCZUK: I love having a friendly conversation with you.

CHAIR: Let the Premier answer the question, please.

Mr NICHOLLS: Are the rules as outlined by the Speaker this morning in relation to not arguing the question going to be applied or not?

Ms PALASZCZUK: I am answering the question. May I please answer the question?

CHAIR: Yes, Premier.

Ms PALASZCZUK: Under the former government when the member for Clayfield was treasurer, their plan was to dump dredge spoil in the Great Barrier Reef. When my government came into office we said very clearly that we would not do that. We were not going to utilise the Caley Valley wetlands. We were going to find—

Mr NICHOLLS: Mr Chair, I am happy to have the debate over the question, but I am not happy to have false and misleading statements made in relation to dumping spoil in the Great Barrier Reef. What I am prepared to do though, because I have a limited amount of time, is to ask the next question in relation to it. I asked the Premier if the royalty holiday was a subsidy and she said no—

Ms PALASZCZUK: Chair, I am contrasting with the subsidy that the member for Clayfield wanted to give—

Mr NICHOLLS:—so I am prepared to move to the next question.

Ms PALASZCZUK: I am allowed to answer the question.

CHAIR: That is correct. Premier, would you like to continue answering the question.

Ms PALASZCZUK: Thank you, Chair. What—

Mr NICHOLLS: Mr Chair, that is completely unreasonable. I have said that it is a question that the Premier has chosen to answer—

Ms PALASZCZUK: The Nicholls-Newman government wanted to spend \$500 million of taxpayers' money building a railway line—

CHAIR: Premier, if I can have one moment. Can you not speak over the Premier? Can you allow the Premier to finish her answer, please?

Mr NICHOLLS: No, Mr Chair. The Premier holds no greater right in this place than the members here conducting the inquiry. In fact, this is an inquiry by the parliament of executive government and if the parliament is not allowed to carry out that inquiry, then who is? I am absolutely committed to the rules in relation to answering questions, as we discussed this morning when the Speaker was here.

CHAIR: Member for Clayfield, there is no point of order. My understanding is that the Premier is allowed to answer the question in whichever format or whatever way she chooses.

Mr NICHOLLS: Mr Chair, I refer you to the statement made by the Speaker—

The following rules shall apply to answers: in answering a question a Minister or member shall not debate the subject to which it refers; and an answer shall be relevant to the question. I make it clear that I intend to enforce the standing orders as regards questions and answers.

CHAIR: Can we move on to the next question, please.

Mr NICHOLLS: I am very happy to do that.

Ms FARMER: Point of order, Mr Chair. I suggest that the member for Clayfield is showing disrespect to the chair by questioning your ruling. You have made a ruling and I suggest that your ruling be accepted.

Mr POWER: Point of order. It was also said that there will not be artificial time limits imposed on the way in which people answer the questions. That was one of the things that was actually laid out.

Ms PALASZCZUK: I would like to finish my answer. The member for Clayfield asked about the royalties framework and I would like to expand on that. Our new royalties framework is a new approach which will help unlock development in key resource areas, delivering new business opportunities and new jobs for our regions. This is for developing the Galilee and Surat coal basins and the North West Minerals Province. These are all areas where we see enormous potential and we want to get as many jobs as possible, especially in the regional and north-west areas of our state. The revised framework applies to future resource development proposals. These are proposals that have completed comprehensive environmental impact assessments at the state and Commonwealth level which will also have a significant regional employment benefit. The other issue people seem to forget about is that, if we can develop these regions and the royalties come back to the state, it is the royalties that go into building brand new hospitals, brand new roads and new schools right across our state—

Mr STEVENS: Point of order, Mr Chair. The Premier has clearly moved into a debate on the benefits of royalties. We understand that. The original question was about royalties and subsidies. Please move on to the next question rather than taking up valuable question time debating the question and promoting the Premier's ideological view on the matter.

Ms PALASZCZUK: I will say one thing: this is about creating jobs; it is not an ideological debate. It is about jobs.

Mr STEVENS: Point of order, Mr Chair. That is not the question. This is estimates; it is not a grandstand.

Ms PALASZCZUK: It is about jobs.

Mr STEVENS: Please move on to the next estimates question.

Ms PALASZCZUK: This whole budget is about creating jobs. The royalty framework is about opening up new provinces—

Mr STEVENS: 'Don't you want to be questioned, Premier?' That is the question I will be asking.

Ms PALASZCZUK: There is no need to be rude and disrespectful.

CHAIR: Premier, may I remind you that you are entitled to answer the question; however, I would also point out that the answer should be relevant to the question.

Ms PALASZCZUK: The question was about royalties, and royalties generate jobs. That is exactly the answer I was giving this committee.

CHAIR: Can we have the next question, please.

Mr NICHOLLS: I have been waiting for you to ask me that question, Mr Chair. If I can return to the previous issue of ministers using non-MSB email systems. Premier, in March this year in parliament you said that ministers were only to use their MSB provided devices for ministerial business. Did you expect your ministers to follow your direction, and why didn't they?

Ms PALASZCZUK: As we know, there are some matters currently before the CCC and I am not going to pre-empt those discussions and deliberations; however, I am happy to quote Minister Enoch in *Hansard*. She said—

Under the Public Records Act 2002, ministers and their senior staff are responsible for ensuring ministerial records are captured in their ministerial record-keeping systems. The Public Records Act, however, does not prevent the usage of personal email accounts by ministers.

I might also point out to the member for Clayfield that I am quite sure that a number of your own LNP team would also have private emails. That is the advice that Minister Enoch received from the State Archivist.

Mr NICHOLLS: I quote from *Hansard* where the Premier stated—

I made it very clear to my cabinet—and every cabinet minister will attest to this—that I expect all work related calls and emails to be done through the official phone that is provided to them via MSB. That is my clear expectation. That is what I clearly told cabinet and that is what I expect.

I will give you a free plug, because then you go on to say—

Goodness knows what happened when the LNP were in office. Goodness only knows what happened when they were in office. We do know, because we did not do it and there is no evidence of that occurring. What we do know is that, after you gave that instruction to use MSB provided devices, Minister Lynham said that it was entirely appropriate for him to use his university account to run his ministerial office.

Ms FARMER: Point of order, Mr Chair. I think that the member for Clayfield needs to be aware that estimates is for questions and not statements, and I seek your ruling on whether he should proceed to ask questions.

Mr NICHOLLS: I am sorry, Mr Chair, I could not hear that point of order.

Ms FARMER: Mr Chair, I seek your ruling on whether the member for Clayfield should ask a question rather than make a lengthy preamble to a question.

CHAIR: I remind the member for Clayfield that, under standing order 112B, the member may ask a question but not make a speech. I ask you to finally get to the point or I will rule the question out of order.

Mr NICHOLLS: Even you must see the irony of that statement, Mr Chair. Premier, following your instruction to use MSB provided devices, why did Minister Lynham say that it was entirely appropriate for him to use his university account to communicate with his ministerial office?

Ms PALASZCZUK: Because the State Archivist that Leanne Enoch quoted from said that the Public Records Act does not prevent the usage of personal email accounts by ministers and that—

Minister Lynham's actions in ensuring emails identified as potential ministerial records are forwarded to his office to be logged would appear to be in keeping with the QSA's guidelines.

Mr NICHOLLS: So your statement of March 2017 that you expect all work related calls and emails to be done through the official phone—'That is what I clearly told cabinet'—has now been superseded by the advice from the official archivist after Minister Lynham had been discovered using his private email account at the University of Queensland?

Ms PALASZCZUK: I have said very clearly here what the State Archivist has said in terms of what is acceptable and what is not acceptable. Are you saying that no-one in the LNP team does not have a private email? Is that what you are telling me? Are you telling me that when you were in government no-one used a private email?

Mr NICHOLLS: Premier—

Ms PALASZCZUK: No, answer the question.

CHAIR: Order, please!

Mr NICHOLLS: Premier, the question really is: who is in control of your cabinet if your own ministers do not abide by your clear direction not to use their private devices for official business?

Ms PALASZCZUK: We are going to get some further information, but I am also advised that the member for Mount Ommaney used a private email while assistant minister in relation to a parliamentary committee. That might be on the public record as well. We will get a copy.

Mr NICHOLLS: Yes, it has been. It was ventilated in the parliament in relation to a public committee, not in relation to official government business, which is your clear edict.

Ms PALASZCZUK: And this is currently being assessed by the CCC.

Mr NICHOLLS: Premier, has your position changed since March 2017? Is it now okay for ministers to use their private email addresses, given that the State Archivist seems to have a different view on matters than the edict you gave to your own ministers back in March?

Ms PALASZCZUK: I am sorry, but we are supposed to be analysing the budget here today. We are supposed to be analysing the 2017 budget.

Mr NICHOLLS: You have said that.

Ms PALASZCZUK: I have answered the questions in relation to—

Mr NICHOLLS: You have used that as an—

Ms PALASZCZUK: I said the CCC is currently conducting its investigation. I am not going to pre-empt—

Mr NICHOLLS: I am not asking about that.

Ms PALASZCZUK: I am not going to be pre-empting that.

Mr NICHOLLS: I am not asking about that. I am asking about—

Ms PALASZCZUK: This is repetition.

Mr POWER: Point of order: the question has been put and asked—

Ms PALASZCZUK: The biggest issue of the day!

Mr POWER:—multiple times and this seems to be a pattern. If the member for Clayfield does not have any new questions, then I have questions I could put.

Mr STEVENS: It is not your turn. You are in government.

Mr POWER: But you have to not be repetitive.

CHAIR: Order, please! Order! I ask the member for Clayfield—

Mr NICHOLLS: Sure. I have another question I would like to ask the director-general in relation to similar sorts of matters. How many times has Minister Dick complained about not being able to print out from his MSB provided device, given that that was the reason he emailed himself?

Mr Stewart: He has not personally complained to me, but I will just check with my departmental staff.

Mr NICHOLLS: Sure.

Ms PALASZCZUK: Not concerned about getting people into employment, getting people into jobs.

Mr Stewart: I am happy to take that on notice if the Premier allows me to take it on notice—

Mr NICHOLLS: Okay.

Ms PALASZCZUK: Yes, more than happy.

Mr Stewart:—because I can go and find out the answer because I do not know.

Mr NICHOLLS: Let me give you a couple more which I am sure you will take on notice, because I would like to ask: how many times has, for example, Minister Miles complained about not being able to print out from his MSB provided device and how many times did Minister Lynham complain that he was not able to take his ministerial laptop to the University of Queensland and was therefore required to use a UQ email account to run his ministerial office? If those are problems I would expect that they would have been raised with the Ministerial Services Branch for rectification.

Mr Stewart: If the Premier allows me, I am very happy to take those on notice.

Ms PALASZCZUK: We are more than happy to help out there—more than happy.

Mr NICHOLLS: No worries. I now want to quickly go back to the Adani matter in terms of referring to cabinet support provided by the Department of the Premier and Cabinet and look at the process. Firstly, Premier, I have asked you a question previously in relation to the royalties being a subsidy—Adani or the north-west minerals province proposal, of which Adani is the first mover—and their royalty holiday for a period of time, and you have indicated that those royalties will have to be paid at a later date together with interest.

Ms PALASZCZUK: Yes, correct.

Mr NICHOLLS: So would you describe that as a loan—that is, money that is not having to be repaid at the time it would otherwise be paid and then paid back with a loan?

Ms PALASZCZUK: I would describe it as a royalty framework that my government has established to open up—

Mr NICHOLLS: Would you describe that as a loan?

Ms PALASZCZUK: No.

Mr NICHOLLS: So it is not a loan?

Ms PALASZCZUK: I would describe it as a royalty framework that my government has established to help get people into jobs in these communities. If you have travelled out to those communities you might understand the need for jobs in those communities.

Mr NICHOLLS: So the deferment of the payment of the royalties and then their subsequent repayment with interest is not really regarded—

Ms PALASZCZUK: I will tell you what it is not: it is not a gift. You wanted to give \$500 million to build a railway line which is a gift. That is what you wanted to do.

Mr NICHOLLS: I am asking whether—

Ms PALASZCZUK: Yes, and I am answering. That is what you wanted to do. You wanted to give them a gift—\$500 million of taxpayers money. That is what you wanted to do as treasurer of the state when you were in office.

Mr NICHOLLS: No, and again you are actually misleading the estimates committee.

Ms PALASZCZUK: Okay, but what were you going to do? Some \$500 million to build the railway line is not a gift? What is it? You explain that to me.

Mr NICHOLLS: Mr Chair—

CHAIR: Order, please! Premier, can we—

Mr NICHOLLS: I have simply asked the Premier whether the deferral of the payment of an obligation—

Ms PALASZCZUK: And I said it was a royalty framework established by my government.

Mr NICHOLLS:—together with interest is a loan and the answer is either yes or no.

CHAIR: The question has been answered. I ask you to move on to your next question, please.

Mr NICHOLLS: So, Premier, you do not regard it as a loan?

Ms PALASZCZUK: It is a royalty framework.

CHAIR: I have already made a—

Mr NICHOLLS: That is a different question, Mr Chair.

Ms PALASZCZUK: It is exactly the same question.

CHAIR: Order! It is the same question and I ask you to move on to the next question.

Mr NICHOLLS: Turning to the Adani CBRC submission, media have reported that a confidential cabinet CBRC submission was leaked. Has an investigation been commenced into whether or not confidential CBRC information was given to the media by your department?

Ms PALASZCZUK: I am not discussing matters of CBRC with this committee.

Mr NICHOLLS: I am not asking about that. I am asking about whether an investigation into a leak has occurred.

Ms PALASZCZUK: I am not commenting on matters dealing with the Cabinet Budget Review Committee.

Mr NICHOLLS: Okay. Let me move on. In the normal course of events, members of CBRC are provided with the submissions to be made to CBRC, so is it the case that you, the Deputy Premier and the Treasurer and whoever is the other rotating member—if that is the method you use—were provided with the submissions in relation to the Adani royalty holiday?

Ms PALASZCZUK: I am not discussing Cabinet Budget Review Committee matters with this committee and I am not discussing cabinet with this committee.

Mr NICHOLLS: If you are expending money from DPC in relation to these matters, I think it is a legitimate question to ask whether an investigation is occurring into a leak from cabinet.

Mr POWER: Point of order: this is getting repetitive and argumentative and is against the standing orders.

Ms PALASZCZUK: I have answered the question. I am not discussing Cabinet Budget Review Committee deliberations with the committee.

CHAIR: Thank you, member for Logan. The question has been answered. Can you move on to your next question?

Mr NICHOLLS: Okay. I am happy to move on to another matter, Mr Chair. In February this year—

Ms PALASZCZUK: Because they are all about people's jobs. I am really glad you are asking me orderly questions about people's jobs and the need for growing jobs in this state.

CHAIR: Order, Premier.

Ms PALASZCZUK: It is very disappointing.

Mr NICHOLLS: In February this year the ABC reported that they had been provided with 'a raft of cabinet briefing notes' and which appear from the documents posted to their website to be confidential cabinet CBRC submissions from 2012. My question to the director-general is: were those documents protected and has an investigation into the leaks of those documents occurred?

Mr Stewart: I think you know the answer to that because your office forwarded that complaint to me and we have actioned that complaint.

Mr NICHOLLS: Who is conducting that investigation and who in the current government might have had access to those confidential CBRC documents from 2012?

Mr Stewart: The matter was referred to the CCC and the Queensland Police Service so, again, that is a matter that is active. I cannot comment on that. I do not know how you expect me to comment and I do not know who had access to them because you asked me to refer it and have it investigated, which I have.

Mr NICHOLLS: Are you aware, Director-General, if Minister Miles is under investigation in relation to—

CHAIR: Order, please. I ask the member for Lytton to ask the next question.

Ms PEASE: Premier, I want to ask you with respect to the DPC's role in promoting safe communities, referring to the SDS at page 4. Premier, what funding does the budget contain to equip our valuable Queensland Police Service with additional resources to carry out their important duties of protecting Queenslanders?

Ms PALASZCZUK: I thank the member for Lytton for that question because, of course, it is incredibly important that we do allow our Police Service to get access to the most up-to-date equipment that they possibly need, especially to carry out their duties. This year we have delivered another record budget for the Queensland Police Service—almost \$2.4 billion. In 2015-16 we finalised a four-year target of 1,100 extra police over and above attrition, including 294 extra officers across the state since February 2015. There are now more than 11,800 police officers in Queensland. Another of my government's key priorities is to utilise technological advances to improve the safety of our officers and the public that they serve. By late this year the service will have rolled out 4,700 body worn cameras since we were elected, and this is great news. I know how important they are for our police officers.

Last year the Police Service rolled out \$17.5 million worth of new operational equipment—new tasers, body armour, SERT counterterrorism vests, first-aid kits and radios. The Queensland Police Service has also expanded the range of applications for the QLITE handheld tablet. This creates efficiencies, meaning that police spend less time behind a desk and more time on the beat. The good order capability is being trialled in safe night precincts in Brisbane, Townsville and Cairns. There are currently also 2,677 police vehicles throughout the state. Almost 700 vehicles were replaced last year, a number that will grow to 900 this year at a cost of \$32.4 million. We are investing \$47 million over three years for a world-class weapons use of force and counterterrorism facility. The Westgate facility

at Wacol will improve the ability of police to respond to evolving threats such as terrorism. We know how important it was that we put that money in the budget to allow police to be able to conduct those draft planning exercises that are needed for counterterrorism.

In 2017-18 the QPS will invest \$23.71 million, including \$6.8 million to upgrade police communications centres, \$5.6 million to replace and upgrade police vessels, \$3.7 million for additional fixed and mobile digital cameras under the Camera Detected Offence Program, \$3.49 million for a complaints handling reform project and \$2.22 million for operational equipment replacement and renewal including a refresh of covert operation equipment and surveillance equipment. As you can see, the funding that we are putting in place will enable police to get on with the job. When I was in Cairns just recently a police officer stopped me—at a function I was at; I must make clarification there—and he said to me, ‘Do you realise how much equipment your government has delivered to us? It’s just making a huge impact on the way we do our jobs, the way we interact with people and the public. It’s meaning that we’re able to spend more time out on the beat, less behind the desk.’ That is exactly what I want to be able to do—to allow police to do their jobs.

Mr POWER: Premier, I refer to the Department of the Premier and Cabinet’s role in industry development that is outlined in the SDS at page 4 and ask: will the Premier advise the committee on the vital role that defence industry plays in the economic and community life of Queensland?

Ms PALASZCZUK: I thank the member for Logan very much for that. What exciting news we had on Friday when we found out that Rheinmetall had picked Queensland over Victoria as its preferred place for its headquarters to develop the new Boxers. It is great news there. If we end up winning that contract, it will be in excess of \$5 billion for Queensland.

It was also very good to see the federal LNP member, Jane Prentice, who also said that it was about time the federal government chose Queensland. It would be very nice to see members of the LNP support Queensland’s bid to have defence industries based here in Queensland. Like we said, when we are diversifying our economy, a \$5 billion investment is incredible. We are talking about advanced manufacturing. We are talking about diversifying our economy. It is about the thousands of jobs that will come with this project as well. I think they were saying that around 40 per cent to 50 per cent of the vehicles that would be manufactured would be utilised in Queensland as well—at Enoggera and also up in Townsville.

Queensland’s relationship with our Defence Force is strong in times of conflict, or natural disaster, and it is strong in times of peace and building a defence industry to build our military needs. My government’s defence industries 10-year road map and action plan, currently under development, will set our vision to significantly increase defence revenue and generate 3,500 new full-time jobs by 2027.

In fact, when I was speaking with representatives from Rheinmetall they said to me, ‘This is not a 10-year horizon.’ They are looking at a 30-year investment in Queensland. I need this project for Queensland. This project will contain initiatives to help Queensland’s businesses, especially in our comparative and competitive industry advantage, to support the strategic and capability priorities identified in the 2016 Defence white paper. They also identified that they would look at having their new headquarters based in Ipswich. I think the member for Bundamba would be extremely happy that they are looking at Redbank Plains.

Mrs MILLER: No, Redbank.

Ms PALASZCZUK: Redbank. To have that site there would be fantastic for the local community, so fingers crossed. As I said, on Friday last week, I was pleased to join executives from the major European defence manufacturer, Rheinmetall, and their Queensland business partners to announce Queensland as their Australia-New Zealand headquarters. Queensland will also be the base from which they will manufacture their Boxer CRV fighting vehicle should their bid to deliver the Australian army’s Land 400 armoured combat vehicle project be successful. Our partnership with Rheinmetall reflects the important role that defence industries play in the Queensland economy. Queensland’s defence industry supports an estimated 6,500 jobs and generates approximately \$4.2 billion in revenue, contributing \$1.3 billion to the Queensland economy.

As at the end of May 2017, Queensland has been awarded more than \$4 billion in Defence contracts, eclipsing the total value of similar contracts awarded in 2015-16 by \$200 million. The interesting point here is that Queensland has already expertise in this area. We now need to help the industry go to that next level. I want to pay tribute to Dr Anthony Lynham. We have been working very hard on this contract with the company. He was sent overseas by me to Germany. He had to go to a meeting. They commented to me that the fact that he went over to Germany for that meeting helped

them make that decision. Their personal dealings with him helped them make that decision for it to be based in Queensland. I hope this is something that the members of the LNP will support, because—

Mr NICHOLLS: We have.

Ms PALASZCZUK: That is excellent to hear, because we need bipartisan support. We need every federal senator, every federal member, every state member 100 per cent behind us getting that \$5.4 billion Defence contract for Queensland.

Mr Stevens interjected.

Ms PALASZCZUK: What did you say?

Mr STEVENS: We are happy to support it.

Ms PALASZCZUK: I thought you said something else a bit derogatory. I do not need to be rudely interjected upon like that, thank you. It is good to hear you supporting it.

Mrs MILLER: I refer to page 6 of the SDS. I am going back to an issue in relation to Adani, particularly in relation to the coal royalties. I also refer to schedule 3 of the Minerals Resources Regulation, which refers to how royalties are determined. For the benefit of everyone listening, royalties are determined on the average price per tonne of coal sold, disposed of, or used in the return period. Will Adani be selling the coal to itself, or another corporate entity of its own, using just the cost of production as the sale, or disposal rate, which then results in a much lower royalty return to the people of Queensland? In other words, there will not be any profit margin in it. They will just dig it up and sell it to themselves—or not even sell it to themselves; just dispose of it to another corporate arm within Adani. Therefore, the royalty rate will be much, much lower.

Ms PALASZCZUK: I am happy to take that one on notice. I think what you are asking there is quite technical. We will get the information for you.

Mrs MILLER: That would be really good if you could. As a follow-up question, in relation to the royalty rate—and I thank you for getting that information for me—I have had plenty of people in my community who have said to me that, to them, \$5 million per year in royalties is not enough. They have said to me that, if every person in the state of Queensland donated \$1.10 per year to stop the Adani mine going ahead—that is, in other words, the opportunity cost of the \$5 million in royalties—would your government, and the Labor government, consider not going ahead with the Adani mine, given that the \$5 million in royalties would be there, anyway?

Ms PALASZCZUK: The royalties ramp up over time and there is a royalties framework. At the end of the day, the royalties go back into paying for the schools and the roads and the bridges and the hospitals.

Mrs MILLER: Yes, I am aware of that.

Ms PALASZCZUK: Everybody wants more of that. I know that you understand the industry. Everyone wants more of that from us. That is how it is paid for—

Mrs MILLER: Yes.

Ms PALASZCZUK:—through royalties that are collected by various means.

Mrs MILLER: I know, but some people are saying to me that, whether that be \$5 million or \$10 million, if the people of Queensland were to put the same money that would be the royalties into a fund to stop the mine going ahead, would you then consider not approving the Adani mine?

Ms PALASZCZUK: No.

Mrs MILLER: Okay.

Ms FARMER: I refer to page 4 of the SDS for the Department of the Premier and Cabinet and the government's focus on creating jobs. Could the Premier tell me how the government is supporting 40,000 jobs over the next year from the 2017-18 budget, please?

Ms PALASZCZUK: I would like to thank the member for that question. This budget is about jobs for Queensland. We want to get as many people into work as we possibly can. Over \$40 billion is there to create as many jobs in regional Queensland as well. We know that that means projects right up and down the state. Sorry, you said \$40 billion?

Ms FARMER: Forty thousand jobs.

Ms PALASZCZUK: Of course. We have Skilling Queenslanders for Work, which is also really important. We have infrastructure happening. We are diversifying our economy. We have the Back to Work program. We are adding to the \$100 million that we announced in the last budget. It is going so well that already over 5,000 jobs have been created, which I think is a great testament to us listening to regional communities about getting people into work.

Of course, there is infrastructure as well. There is infrastructure with the Cross River Rail. There is infrastructure in projects up and down our state. It was wonderful to be up in Cairns just recently to see the investment that our budget is putting into, especially, the Cairns Convention Centre. We are looking at expanding the Cairns Convention Centre. There is \$170 million to grow the tourism industry. When we had our cabinet reception there, people were coming up to me and saying that this is one of the single biggest investments that we could have made in Cairns because of not only the jobs that it is going to generate but also the flow-on impact from tourism as well. We know that we have infrastructure happening down on the Gold Coast, with the completion of stage 2 of the Gold Coast Light Rail, which will be done in time for the Commonwealth Games. I am quite sure the member for Mermaid Beach will be very happy about that.

Of course, there is our Works for Queensland. In fact, I had a meeting just last week in Cairns with a number of the regional mayors. I do not think I heard one negative comment about Works for Queensland. In fact, every single mayor was congratulating my government. With Works for Queensland, the money goes directly into the councils. The councils are able to get people into jobs as quickly as possible.

In fact, we had have some really positive feedback from other mayors. The mayor for Bundaberg—he was a member—thanked us—

Mr Nicholls interjected.

Ms PALASZCZUK: Yes, it is great that he is thanking us. He thanked us for Works for Queensland.

CHAIR: Order, please.

Ms PALASZCZUK: He said—

Your government's \$200 million Works for Queensland infrastructure program to help spark job creation in the regions will have a real impact across the state, not the least due to the involvement of local councils. The program serves as a reminder of the value that councils can add to the government.

We have the Burdekin Shire Council, and we have Graham King from the Flinders shire, who said—

Thank you for the introduction of the Works for Queensland program to create employment in our regions.

We also have the following from John Ferguson, the mayor of Thargomindah shire—

On behalf of the Bulloo Shire Council, I would like to take this opportunity to thank yourself and the Deputy Premier for the recent Works for Queensland grants. They have provided a significant stimulus to our region. We also acknowledge that this program demonstrates the ability of our local government to work in partnership with the state to achieve mutually beneficial outcomes.

As you can see, everybody is incredibly happy about it. There is even more. Our wonderful mayor of the Whitsunday shire council, Andrew Wilcox, who I will be meeting later today, said—

I would like to take this opportunity to extend my personal thanks, that of our Mayor and councillors and also that of our communities, for your continued support of the Whitsunday Region.

The Works for Queensland program will have real impact within the Whitsundays, and we look forward to seeing the benefits of those projects being realised across all our communities over the coming months.

The Mayor of the Diamantina Shire Council, Geoff Morton, said—

On behalf of Council, I would like to thank you for the generous allocation of \$1,020,000 from the W4Q program. We appreciate that even though we are a long way away, we are definitely not 'out of sight'.

It is wonderful to hear those beautiful councils thanking us for working with them. I think that is a real hallmark of our government. We work with communities. We work with people to deliver real and tangible outcomes. That is what can happen when we work together. We are working together with the councils to deliver infrastructure projects, which get people into jobs quickly. If only we had a federal government that was prepared to work with the state government. We could then deliver even more jobs for Queenslanders.

CHAIR: The committee will now adjourn for a 15-minute break. The hearing will resume at 12 pm to continue its examination of the estimates for the areas of responsibility administered by the Premier and Minister for the Arts.

Proceedings suspended from 11.44 am to 12.00 pm



CHAIR: Welcome back, Premier and officials. The committee will now resume its examination of the portfolio of the Premier and Minister for the Arts. I call the non-government member for Buderim.

Mr DICKSON: Premier, I note in your department's SDS for 2017-18 the following statement—

The increase in budgeted Employee expenses for the 2017-18 Budget against the 2016 Estimated Actuals of \$2.0 million is mainly due to higher audit full time equivalents (FTEs) and approved salary increases under Enterprise Bargaining agreements.

The statement refers primarily to the Queensland Audit Office. On that subject of salary increases generally, will the Premier advise how many Queensland government employees, except doctors but including senior executives and statutory executives, receive taxpayer funded salaries in excess of \$200,000 a year?

Ms PALASZCZUK: We had a question on notice on this.

Mr DICKSON: A different question.

Ms PALASZCZUK: I will ask Dave Stewart to comment.

Mr Stewart: Thank you for that question. I think when you asked the original question we gave you every employee we believed to be over. You are asking less doctors? Is that the question you are now asking?

Mr DICKSON: What I am asking is, very clearly, the senior and statutory executives, and that excludes the 1,027 doctors, who earn more than \$200,000 a year.

Mr Stewart: I might check with the Public Service Commissioner, because I think those numbers are in the workforce report we tabled today. I will check that.

Mr DICKSON: Do you want to take that on notice?

Ms PALASZCZUK: We will need to take it on notice.

Mr DICKSON: Premier, I note in your department's SDS for 2017-18 on page 5 the following statement—

In 2017-18, Policy Advice and Coordination, and Cabinet Support will:

...

- continue to advance and coordinate the Government's North Queensland policy agenda and priority projects for economic development and jobs including whole-of-government co-ordination and support for the Minister Assisting the Premier in North Queensland, and delivering the Northern Australia White Paper implementation and Engagement Strategy.

Premier, Queenslanders are abundantly aware that your office in Brisbane will have an overflow of newly appointed back-office public servants and bureaucrats. However, in the regions, particularly in the north, the right of your government are advocating for the Adani Carmichael mine project because it will mean jobs. The left, however, fear the mine because of its potential to damage the environment and the Great Barrier Reef. They do not care about jobs. There is much publicity from the Deputy Premier regarding these royalties. The left in your government do not want to know about the coal-fired power station, even though it will mean jobs and energy security. With all the left versus the right turmoil in your government, what is your position when it comes to jobs, protecting the environment and energy security in Queensland?

CHAIR: Order. Member for Buderim, questions are not an opportunity for you to make a speech. Kindly get to the point or I will rule the question out of order.

Ms PALASZCZUK: Can you repeat the last bit of the question?

Mr DICKSON: I will ask the last part of the question because that is the question. I let you know about the SDS because I think that is what we should do. With all the left versus the right turmoil in your government, what is the position when it comes to jobs, protecting the environment and energy security in Queensland?

Ms PALASZCZUK: I can say that we are united when it comes to all those things, creating jobs for Queenslanders no matter where they live, and that is why you would have seen the latest information we have tabled today about front-line services. We have a really decentralised state, so it is really important that we get the services that Queenslanders need no matter where they live in Queensland—whether they live in the south of the state, whether they live in Buderim, whether they live in Maryborough, whether they live in the Far North. I have just come back from Cairns. Minister Mark Furner spent most of the week travelling around the cape communities and up into the Torres Strait

because, no matter where they live, people deserve services—that is, quality education, quality health care. That is why in this year's budget we have the highest Health budget and the highest Education budget.

Mr DICKSON: You support a coal-fired power station in North Queensland?

Ms PALASZCZUK: I will come to that in a minute.

Mr DICKSON: Sorry for butting in.

Ms PALASZCZUK: You also mentioned the environment. I think we all have a duty to protect the Great Barrier Reef. We went to Green Island with the minister for the Great Barrier Reef, Steven Miles, and what we saw there is an active program through Skilling Queenslanders for Work whereby they are helping to eradicate crown-of-thorns. We are utilising young unemployed people, getting them jobs eradicating the crown-of-thorns to help protect the Great Barrier Reef. We are also putting record investment in the Great Barrier Reef. I was very pleased when UNESCO decided not to list the Great Barrier Reef as being under threat.

In relation to energy security in Queensland, as I mentioned, our Powering Queensland Plan, a \$1 billion commitment, is clearly showing that future wholesale prices are dramatically coming down. We have a graph that clearly shows that once our plan was announced—and I am happy to table this—the wholesale future prices have dramatically come down because of the action we are taking. As I said very clearly, once Hazelwood was taken out of the scenario and we had that massive heatwave over the summer period, a lot of pressure was put across the network, the National Electricity Market, and what we are doing is bringing on Swanbank E. That will bring more gas into the system—more supply. We also have a lot of renewable energy that is happening—\$2.2 billion of renewable energy, from my recollection—and those jobs are happening in regional Queensland. There is also hydro, with the Burdekin Falls.

I do notice that there are some views that have been expressed by both the member for Clayfield and Malcolm Turnbull, if I am correct, about building a new coal-fired power station in Queensland. Our Powering Queensland Plan does not see the need for a new coal-fired power station. My question is: where would that new coal-fired station be built? Would it be built on the doorstep of the Great Barrier Reef?

Mr DICKSON: I think next to a coalmine would be the appropriate place, if you asked the question.

Ms PALASZCZUK: Secondly, Alan Finkel himself—and I would urge members to have a look at his review, because it does not talk about the need to build a new coal-fired power station—in fact talks about gas as being the transition from coal into renewables. Also, our renewable energy target is meaning that people are comfortable with investing in this state. I have just come back from the United States, where investors sat down and told me that when they are investing in biofutures in our state, but also investing in renewables, they are investing because of our renewable energy target. Because of our target of 50 per cent by 2030, they are investing in Queensland.

Mr DICKSON: Gas is ridiculously expensive so how could we afford it?

CHAIR: One moment, member for Buderim. Premier, do you seek leave to table the document?

Ms PALASZCZUK: Yes, I do. I seek leave to table that document.

CHAIR: Leave is granted. Member for Buderim, continue.

Mr DICKSON: This morning I got an answer to a question on notice from the minister who handles gas, and he will not expose the cost of gas per kilojoule for Queenslanders. I am just wondering if you will do that and explain how it is going to be cheaper to run a gas-fired power station instead of using fossil fuels.

Ms PALASZCZUK: While we are talking about gas, what I can say is that we do have a real situation in the eastern states of Australia in that only Queensland is opening up gas markets for exploration for domestic supply of gas. Queensland is doing the heavy lifting and, unfortunately, we are not seeing the same level of cooperation when it comes to New South Wales and Victoria. As we have been advised, because it is a commercial market that price is not visible. It is just the way the market operates. What we are doing is opening up more domestic gas for domestic consumption.

Mr DICKSON: With the greatest respect, the question was relating to gas-fired power stations. Your government is saying that it cannot expose how much that gas costs, for commercial-in-confidence reasons, which means that it must be too expensive.

Ms PALASZCZUK: No, it does not mean that at all.

Mr DICKSON: If you cannot say it, it must be too expensive.

Ms PALASZCZUK: No, that is not what we are saying.

Mr DICKSON: What are you saying?

Ms PALASZCZUK: It is a commercial market.

Mr DICKSON: This is the difference between gas and fossil fuels, and what we are hearing is that fossil fuels must be cheaper because you cannot tell us how much gas costs.

Mr POWER: Point of order. Chair, I seek your ruling. This is simply making an argument, not asking a question and having the question answered in a due process.

Ms PALASZCZUK: I might add one thing if I can, just going back to the member's suggestion about the cost of building a new coal-fired power station. Dr Finkel, the expert who has written the review and presented to COAG—I have listened to him and spoken to him about our Powering Queensland Plan—said to the federal Senate estimates committee, after completing the most comprehensive review of the National Electricity Market, that it is substantially more expensive to build new coal-fired generation than it is to build large-scale renewables. I also put it to you that if the market was attractive for building a new coal-fired power station then a private company would have sought to do that before now and they have not done so.

Mr DICKSON: With respect, I take you back to the question. Can you define whether or not it is cheaper to produce coal-fired energy or gas-fired energy? You are not allowing us on this side of the House to know how much the gas actually costs. We know what coal costs, but we do not know what gas costs because your government is covering it up.

Ms PALASZCZUK: We are not covering it up; it is a commercial market.

Mr DICKSON: Can you tell us the answer, then?

Ms PALASZCZUK: It is a commercial market.

Mr Stewart: Professor Simshauser has just advised me that gas is around \$6 to \$11 per gigajoule, so that is sort of the range.

Mr DICKSON: That is all we are looking for.

Ms PALASZCZUK: We are also looking at opening up more gas for the domestic market. We are exporting our electricity into the southern states, as I highlighted at the beginning of this estimates meeting.

Mr DICKSON: Under those circumstances, if it is \$6 to \$11, is it cheaper to run a gas-fired power station or a coal-fired power station? That was the question I asked.

Ms PALASZCZUK: I think what you will see is that our state energy plan provides an energy mix that has produced downward pressure on the future wholesale electricity market.

Mr DICKSON: With respect again, I just asked that question. If you could answer that question.

Ms PALASZCZUK: That is correct.

Mr DICKSON: Which one is the cheaper to run—so the people of Queensland do not have to burn candles at night to see and keep warm.

Ms PALASZCZUK: No-one is burning candles at night.

Mr DICKSON: They are in Buderim, I can tell you that.

Ms PALASZCZUK: We are exporting electricity to the other states.

Mr DICKSON: I am not worried about the other states; I am worried about Queensland, as you should be. Can I have the answer to that question, please?

Ms PALASZCZUK: As I have said, we have maintained the lowest rate of increase of—

Mr DICKSON: You are not going to answer the question, are you?

Ms PALASZCZUK: I am. It is 1.9 per cent.

Mr DICKSON: If you are not going to answer, that is fine. I am happy for you to move on.

Ms PEASE: Point of order: is this not continuing to ask the same question? Hasn't the Premier answered the question?

Mr DICKSON: I have not had an answer.

CHAIR: The Premier has already answered the question and I ask you to move on to your next question.

Mr DICKSON: Point of order, Mr Chair: I have asked which one is the cheaper of the two to provide energy for Queensland and that answer has not been given.

Mr SAUNDERS: Point of order: I think the Premier has answered it. Can we move on?

Mr DICKSON: I am done. The people of Queensland know.

CHAIR: The Premier has already answered the question and I now intend to move on to the member for Clayfield.

Mr NICHOLLS: Premier, regarding the increase in wholesale energy prices that we have seen in Queensland and the direction given to Stanwell, why was not a similar direction given to CS Energy?

Ms PALASZCZUK: While we are getting that answer, Mr Chairman, in response to a question I took on notice I am advised that no members of my office had contact with the CCC about the terms of reference for the examination of personal emails. I think that the Leader of the Opposition said that the LNP did not use private emails. I can table an email from his shadow Attorney-General with the address Ian.Walker.MP@gmail.com. With the use of 'MP', clearly the email is parliamentary business and for the use of his work as a member of the shadow ministry.

Mr NICHOLLS: For government business.

CHAIR: Premier, do you seek leave to table that?

Ms PALASZCZUK: I seek leave to table that email.

CHAIR: Is leave granted? Leave is granted.

Mr NICHOLLS: The question is this: why was not a similar direction given to CS Energy?

Ms PALASZCZUK: We are getting that answer.

Mr NICHOLLS: While you are doing that, I might ask another question.

Ms PALASZCZUK: In response to a former question, I am advised that there are 164 employees on salaries of more than \$200,000 who are not doctors, there are 215,926 full-time equivalent employees in the Queensland government and 91 per cent of all employees are in front line or frontline support.

Mr NICHOLLS: Come on, Paul, you should know the answer yourself to that one.

Ms PALASZCZUK: In answer to your question, my understanding is that Stanwell is the major contributor into the NEM market and that is why the direction was given to Stanwell. I make it very clear that if you were sitting here today we would not own any of our assets, because you would have sold them all off. Your answer was to sell off all the assets. Thank goodness that did not happen, because now we have been able to deliver stable electricity prices.

Mr NICHOLLS: Now that someone has given you an answer that you probably should have known, I have a further question.

Ms PEASE: I rise a point of order. Is not that being disrespectful, Mr Chair?

CHAIR: I ask the member for Clayfield to be respectful.

Mr NICHOLLS: I will be as respectful as I need to be. I am a member of parliament. I do not need some Johnny-come-lately coming in here and talking about respect. I will continue to do that.

Ms PEASE: That is being disrespectful.

Ms PALASZCZUK: That is outrageous and it is sexist.

Ms PEASE: I rise a point of order. Mr Chair, I find the member for Clayfield's response to you showed disrespect to your position and also to other members of this committee. I ask for it to be withdrawn.

CHAIR: Member for Clayfield, could you please withdraw?

Mr NICHOLLS: Did the member find it personally offensive? That is the rule.

Ms PEASE: I find it absolutely personal offensive.

Mr NICHOLLS: I am happy to withdraw in those circumstances.

CHAIR: Member for Clayfield, please ask your next question.

Mr NICHOLLS: I refer to page 6 of the SDS and the measures in terms of the estimates and estimated actuals for the service standards, which show that, for client satisfaction with support provided by Cabinet Services and client satisfaction with advice by DPC, the estimated actuals for all of those numbers are below the target set for the department. Why is the Premier's department failing so obviously in what is its core business?

Ms PALASZCZUK: I will ask the director-general to respond.

Mr Stewart: I think the bottom line is that we can always do better in our responses and our estimates. The clear message is that we focus on contestable policy advice. There will be a lot of areas of government that do not necessarily like what we have to say. We will continue to work closely with other agencies. We can certainly do better. At the end of the day, we deal with complex policy issues and we are not afraid of contestable advice. In fact, we are not afraid of getting responses back from agencies that do not necessarily agree with us. I think it is part of an open and transparent process. I must say that I have a very strong working relationship with all my directors-general, but we are not afraid of dealing with the issues that they raise.

Mr NICHOLLS: Are you worried about not meeting the targets that you set yourself?

Mr Stewart: I am not happy that I have not met my targets—

Mr NICHOLLS: Hang on; I have not finished the question, yet.

Mr STEWART: I am sorry. I am excited.

Mr NICHOLLS: You would be more excited if you got the targets right, I suspect. In that sense, your clients are ministers, chiefs of staff, directors-general and their departments, cabinet legislation liaison officers and senior policy officers. That covers a range of services. Doesn't it really say that the department is not meeting the expectations and requirements of its clients and its ministers? What does it say about the fact that ministers and their departments are dissatisfied with that performance?

Mr Stewart: I think it is saying that we work in a complex and contestable policy environment. I think it says—

Mr NICHOLLS: It was ever thus. That has never changed.

Mr Stewart: People have the ability—

CHAIR: Member for Clayfield, please allow the director-general to answer the question.

Mr NICHOLLS: Sure.

Mr Stewart: Again, we work in a contestable and complex policy environment. Quite frankly, I am not afraid of people disagreeing with what I have to say or the policy work we do. We work in that environment. We continue to work and do our best. Can we do better? Absolutely. Will we try to do better next year? Absolutely. I think the results are there and we will do better.

CHAIR: I now pass over to the member for Logan to ask the next question.

Mr POWER: With reference to page 4 of the service delivery statement and the work of the Department of Premier and Cabinet to support regional economic growth, what actions has the government taken to help grow Queensland agricultural production?

Ms PALASZCZUK: We know how important agriculture is to this state. I am pleased to share the standout performance of Queensland's primary industries with a total forecast value for 2016-17 at \$19.95 billion. That is 20 per cent greater than the average for the past five years. Queensland's fruit and vegetables are leading the charge. Based on the 2016-17 forecast, compared to the five-year average, the increases across key commodities are impressive. I will take the committee through those: cattle up 19 per cent; poultry 22 per cent; avocados 50 per cent; macadamias 97 per cent; mandarins 37 per cent; mangoes 46 per cent; apples 51 per cent; rockmelons 26 per cent; cotton 50 per cent; barley 22 per cent; wheat 26 per cent; and I know people have been hearing me speak a lot about chickpeas, which are up an astonishing 325 per cent, which is fantastic news. That is despite the damage that we saw from the Burdekin to Beaudesert from severe Tropical Cyclone Debbie earlier this year.

I visited Carl Walker's property near Bowen, where the shed at his capsicum and tomato farm was torn to shreds. Within six weeks, Carl and other members of the Bowen Gumlu Growers Association not only had cleaned up but also had fresh crops in the ground, ready to meet the needs of their customers in Australia and overseas. It has been a similar recovery story for producer Kalfresh, which exports carrots and green beans to New Zealand, Hong Kong, Singapore and the Middle East. In the days following Tropical Cyclone Debbie, I had the opportunity to visit Kalfresh and witnessed the

devastation to their crops caused by postcyclone flooding. Three months on, I was very pleased to see the Kalfresh team back on their feet and displaying their best produce at this year's Scenic Rim Winter Harvest Festival at Aratula a couple of week ago.

As I said, the gross value production of avocados is up 50 per cent and mangoes is up 46 per cent. To help further drive this economic growth, my government has delivered a \$5.2 million rural economic development package to maximise investment growth in support of rural communities. The package will see specialised assistance for fruit and vegetable growers to capture new export opportunities, the establishment of a rural economic centre of excellence and a one-stop service to help private sector investors navigate various approval and development processes more quickly in North Queensland. We are providing \$1.3 million over two years to provide targeted help for growers to find and expand export markets. Queensland is Australia's largest producer of vegetables and the second largest producer of fruit and nuts. This initiative sees the return of Labor's successful Global Markets Initiative, which was scrapped by the Newman LNP government. The new program will focus on improving international competitiveness and profitability, bringing together research, supply chain and export development expertise from across government. Grants of up to \$75,000 will be available to help producers better understand and harness overseas markets.

The Department of Agriculture and Fisheries has been leading the successful Asian markets program to improve the quality and taste of our fruit and vegetables for export, including a ripe and ready-to-eat avocado program for Singapore and Malaysia, low-seed easy-to-peel mandarins for the Chinese market, four varieties of DAFF-bred strawberries providing outstanding subtropical year-round production, and a new DAFF-bred disease resistant apple that is yet to be named—I am told it could be named at the upcoming Ekka—as well as four new macadamia varieties for the \$190 million industry producing 30 per cent higher yields, and a sweet corn variety that slows the development of macular degeneration which is a leading cause of blindness.

As you can see, we will continue to support the agricultural sector in our state. I remember that my father used to be known as the farmers' friend. We will continue to work with farmers right across our state. We will continue to seek to help with their expansion into overseas markets and do everything we possibly can to give them the support they need.

CHAIR: I refer the Premier to page 8 of the SDS, which refers to the DPC's role in leading whole-of-government agendas. Will the Premier outline the government's achievements in relation to progressing a new biofutures industry in Queensland through its Advance Queensland strategy?

Ms PALASZCZUK: I am pleased to inform the committee that this year I also led the Queensland delegation to the BIO International Convention in the US last month. It was the third year in a row that I have led the Queensland delegation, which is a clear indication of the importance that my government places on investing in our people and creating jobs for the future. This year there were 100 members of the Queensland trade mission. I am pleased to say that the Minister for Innovation, Science and the Digital Economy, Leeanne Enoch, accompanied me.

My government knows how important our Advance Queensland biofutures agenda is when it comes to diversifying the economy and creating the jobs of the future. We know that we need to stay ahead of the pack when it comes to attracting investment and jobs, otherwise we will get left behind. We know we have a well-educated workforce and natural biodiversity. Really importantly, we should never underestimate our proximity to Asia, where Queensland is seen as a natural steppingstone for companies wanting to invest into Asia, because we have a common legal system that is known to people and also the opportunity to deal with countries in our region.

Also attending the meeting with me were the Mayor of Gladstone, Matt Burnett, and the CEO of Southern Oil, Tim Rose. As you know, Southern Oil has established a pilot biorefinery in Gladstone and is hoping to establish a full-blown operation requiring investment of more than \$100 million. I am very encouraged by the fact that in the coming months a number of investors are coming out here to look at partnering with Southern Oil as they seek to do their expansion. I also know that there are a lot of opportunities in other regional communities up and down the Queensland coast. We were again able to have face-to-face meetings with the US Navy, where we heard firsthand that there is significant potential to sell our biojet fuel and biodiesel to the US military.

The other important initiative relates to Amyris. While in San Diego, I met with John Mello, the CEO of Amyris, who was doing a feasibility study into establishing a biorefinery in another part of regional Queensland, stimulating the creation of about 70 jobs. Before I left, as part of the budget an announcement was made to provide funding to Bio Processing Australia to build a \$50 million

biorefinery in Mackay, creating up to 115 jobs. Last month, Minister Lynham announced a \$26 million expansion to the Dalby ethanol refinery, which is another vote of confidence in our Advance Queensland agenda and will see another 50 jobs created.

Last week Minister Lynham announced government support for a proposed new \$60 million Atherton Tablelands biorefinery that could generate 130 regional jobs and encourage diversified cropping in the region. All this activity has occurred just 12 months after I released our biofutures road map and action plan at the 2016 BIO conference in San Francisco. As you can see, a lot is happening in that field. The new biofutures industry is being established in Queensland as we speak.

CHAIR: I refer you to page 6 of the SDS for the Department of the Premier and Cabinet and the creation of jobs through the Advance Queensland Industry Attraction Fund and the Jobs and Regional Growth Fund. What projects have been supported to date through these funds and how many jobs have been supported?

Ms PALASZCZUK: Once again, we understand the importance of working with the private sector to help grow our economy and create jobs. We established the \$40 million Advance Queensland Industry Attraction Fund in last year's budget to attract new business to Queensland and support the expansion of existing companies. Unlike our predecessors, who cut industry assistance schemes, we have adopted a positive attitude to attracting new businesses to our great state. I am pleased to report to the committee that our efforts are bringing success. Since implementing the fund we have successfully finalised five agreements.

As I have stated previously, we have attracted Southern Oil from its base in New South Wales to expand its operations in Gladstone. My government's support for Southern Oil has led to Australia's first commercial scale advanced biofuels pilot plant being opened right here in Queensland. We have also attracted Oji Fibre Solutions to the Gold Coast, where they will set up a packaging products manufacturing facility at Yatala.

Japan's SoftBank is establishing its Australian robotics headquarters here in Brisbane, at the start-up precinct in Fortitude Valley. SoftBank is one of the leading robotics firms. Their presence in Queensland gives a critical mass and competitive advantage in this vital field for skilled jobs for the future. SoftBank's investment decision came after the director-general and I visited their headquarters on my trade mission to Japan in 2015 and subsequent meetings at my government's inaugural Advance Queensland Innovation and Investment Summit last year.

These are all part of a pipeline of projects that collectively are expected to generate almost \$140 million and support nearly 1,000 jobs. Further, we have another five projects that are subject to ongoing negotiations between the government and the company which we hope to finalise in the coming months. These have the potential to support hundreds more jobs for Queenslanders.

We are not just creating jobs; we are also delivering critical infrastructure and building new industries. We recognise the need for strong policies and support to help regional businesses and projects develop. That is why we announced the \$130 million Jobs and Regional Growth Fund last year and are already seeing real economic benefits and employment opportunities. As at 31 May 2017 the fund had received more than 200 inquiries, with a total value of assistance sought exceeding \$492 million. This is a fantastic response from the private sector. We are currently working our way through these inquiries as quickly as we can.

To date we have announced almost \$9 million in funding under this fund. This includes support for Bio Processing Australia to develop a \$50 million integrated biorefinery in Mackay. We have also reached agreement with Cape York Timber to help them secure a business loan and expand their business supporting ongoing Indigenous jobs.

Mr SAUNDERS: I refer to page 5 of the SDS for the Department of the Premier and Cabinet and the government's focus on infrastructure development that creates jobs. How is the government planning for infrastructure to support jobs in regional areas?

Ms PALASZCZUK: I know how important regional jobs are for the member for Maryborough as he represents a regional community. It is always lovely to come and visit your part of Queensland. Thank you very much for hosting me on a couple of occasions.

My government's 2017 budget is supporting 14,500 jobs in regional Queensland. In Far North Queensland we are delivering: \$176 million for the Cairns Convention Centre; \$10 million for the Cairns Innovation Centre; and \$70 million for the Cairns Hospital mental health unit. In Townsville we are delivering: \$225 million to support jobs and deliver water security; \$236 million for the Burdekin

hydro-electric power project; and \$75 million for the port of Townsville widening. In Mackay we are delivering: \$15 million for the Whitsunday Airport upgrade; \$16.5 million for Sarina Hospital; and \$28 million for the Vines Creek bridges.

In outback Queensland we are delivering: strategic transmission infrastructure to unlock renewable investment in the north-west with an initial allocation of \$150 million, supporting up to 4,600 jobs; \$17.9 million for the Blackall Hospital redevelopment; \$5.6 million in upgrades to the Longreach Hospital to provide medical imaging; and \$15.1 million to the Birdsville geothermal plant. In Wide Bay we are delivering: \$7.4 million for new classrooms and an administration block at Gympie Special School; \$5 million for the Maryborough specialist outpatient centre; \$62 million for the Kingaroy Hospital redevelopment—the Minister for Health told me that families are very excited about that upgrade; \$4.9 million for the Howard rural and emergency services facility; \$42.5 million for the new emergency department at Hervey Bay Hospital; and \$1.7 million for the Bundaberg State High School performing arts upgrade. On the Darling Downs we are delivering: \$75 million for the Roma Hospital development; \$11.2 million in upgrades for the Highfields State Secondary College; \$9.8 million for the Centenary Heights master plan and redevelopment in Toowoomba; \$3 million in upgrades to the emergency department at Toowoomba Hospital; and \$3.9 million for the Chinchilla State High School's new multipurpose hall.

This is just a snapshot of what is going to happen across regional Queensland. We work with the councils with our Works for Queensland program. You would have seen the flow-on impacts of that in your local community as well. I know that you are also a big advocate of the Back to Work program. We have personally been out and visited some of the industries where people are getting into employment. We are asking businesses to partner with us and we can give them certain amounts of money—whether it is \$15,000 or \$20,000—if they want to put on a young person and get them into work.

Mrs MILLER: I would like to call the Auditor-General. Congratulations on your appointment. Auditor-General, have you been requested to conduct an audit of the New Generation Rollingstock and design issues, particularly with respect to the Disability Discrimination Act? If you plan to undertake such an audit, when will that audit be undertaken and how much will the audit cost?

Mr Worrall: Thank you for your initial remarks. I am not aware that we have been asked to undertake such an audit and currently we have no plans to undertake such an audit.

Mr SAUNDERS: With reference to the SDS at page 4 and the DPC's role in creating jobs, will the Premier advise the committee on the key outcomes of her government's Back to Work program in its first 12 months of operation?

Ms PALASZCZUK: We have touched on this a little previously, but I am happy to go into a bit more detail for you now. The \$100 million Back to Work Regional Employment Package that we announced in the last budget is a significant achievement from our first term of government. I have often said that one of the greatest lessons I have been taught is that there is dignity in work. Honestly, nothing drives me more each and every day than getting as many young people and people who have lost their jobs through no fault of their own and the downturn in the mining industry back into work.

The young people out at Green Island the other day were long-term unemployed young people. They now have meaning in their life. You could not wipe the smiles off their faces. Once they have completed the course—and there is about an 80 per cent success rate of gaining full-time employment afterwards—they will go into permanent jobs in tourism. It gives them back their self-esteem and confidence that they are valued members of society. That is why the Back to Work program means a lot to each and every member of my Labor team.

In its first 12 months, the Back to Work Regional Employment Package has supported 5,671 jobseekers through more than 3,000 employers. That means that at the halfway mark we are well in advance of our aim to find jobs for 8,000 Queenslanders in the program's first two years. As at 13 July 2017, \$28.9 million has been paid to employers. The overwhelming majority of applications through the Back to Work program has been through that great engine of employment, small- to medium-size businesses.

In its first 12 months of operation, Back to Work has particularly proven its benefit in assisting jobseekers facing greater obstacles to employment. The Back to Work Regional Employment Package has supported 3,559 young people aged between 15 and 24 through the youth boost, 717 mature age workers aged 45 and over, 696 Aboriginal and Torres Strait Islander people, 402 people from culturally and linguistically diverse backgrounds and, significantly, 484 people with a disability. People with a disability should be given the same ability as everyone else to gain a job and find meaningful work.

I am pleased to inform the member that in the Wide Bay region Back to Work has supported 1,132 jobseekers with 724 employers. The member for Maryborough would recall that he and I visited Wade Sawmill in his electorate late last year. At that stage, owner Marion Wade had already employed four additional workers under the Back to Work program and, with an expansion in mind, was looking to appoint another six.

These are positive results and they demonstrate the broad impact of the program. In 2017-18 the Back to Work program will be extended to young and long-term jobseekers in South-East Queensland. Back to Work SEQ is designed to stimulate economic and labour market conditions in South-East Queensland by giving businesses the confidence to employ disadvantaged jobseekers.

CHAIR: I will hand over to the member for Clayfield.

Mr NICHOLLS: Premier, last year at estimates when I asked you to point to examples of where the increase in Public Service numbers had improved services for Queenslanders you were unable to do so. Is it now the case that you have had to use taxpayer funds to contract professional services firm KPMG to investigate this issue because there is no evidence that shows the increase in public servants has delivered better services for Queenslanders?

Ms PALASZCZUK: No.

Mr STEVENS: What is the scope of that KPMG contract, the terms of reference for that contract and the dollar cost of that contract to Queenslanders?

Ms PALASZCZUK: The matter is before cabinet.

Mr MINNIKIN: In relation to the KPMG report, will any reports, including any draft or any interim report, be publicly released?

Ms PALASZCZUK: What I will say is that the report will be fully released when it has been considered in full by cabinet.

Mr MINNIKIN: Earlier I referred to an article. I note that the following Labor figures work at KPMG—namely, Paul Howes, Mike Kaiser and Craig Emerson. Can you please confirm if any of these Labor luminaries were involved in taxpayer funded contracts performed by KPMG in the 2016-17 financial year?

Ms PALASZCZUK: What I can say is that, in relation to the report you are speaking about, a tender was let by DPC and KPMG was successful. There was a competitive process via our panel.

Mr MINNIKIN: The question was specifically whether Labor figures working at KPMG—

Ms PALASZCZUK: I am quite sure there are also LNP figures who work at KPMG.

Mr MINNIKIN: That is not the question, though.

Ms PALASZCZUK: It is contracted with KPMG.

Mr JANETZKI: Premier, my question relates to the Queensland Family and Child Commission. Recent reporting reveals that in the south-west Queensland region in particular we have suspected cases of child abuse up, we have more children than ever in care and at the same time we have carers leaving the system in record numbers. Is the commission currently undertaking any investigation or does it intend to undertake any investigation into this ongoing rolling systemic crisis and, if not, why not?

Ms PALASZCZUK: First of all, a question was asked last year to the Family and Child Commissioner about whether or not she viewed the system as being in crisis to which she said no. You are more than happy to ask her a similar question this year, if you want to. However, let me say a couple of things. Firstly, the number of children coming into care now are from families with incredibly complex issues ranging from domestic and family violence to the scourge of ice, drugs and alcohol. Secondly, we have found that almost one in three children coming into care have either one or both parents who have some form of ice addiction. We are now doing the drug testing which Minister Shannon Fentiman talked about.

Thirdly, you raised the issue of foster carers. We are actually running a campaign to attract more foster carers into the system. I want to see as many children as possible go into good homes. That has always been the priority. What we also know too is that my government is investing in front-line staff. That means that we are putting in more Child Safety officers that are needed across the state. Under the former government, around 200 Child Safety officers were cut. We are now undertaking the business of restoring those front-line services to the places where they are needed.

We are investing a further \$200 million over four years in restoring—

Mr JANETZKI: Mr Chairman, I raise a point of order.

Ms PALASZCZUK: I am answering the question.

Mr JANETZKI: I submit that this does not answer my question in any way.

Ms PALASZCZUK: You mentioned four parts. I am going through it.

Mr JANETZKI: My question related in particular as to whether the commission would be undertaking an investigation into this crisis. I am not looking for an analysis of Child Safety.

Ms PALASZCZUK: I reject that there is a crisis.

CHAIR: Let me deal with the point of order.

Mr POWER: On the point of order, there were multiple parts to the member for Toowoomba South's question and the Premier's answer is reflecting that.

Ms PALASZCZUK: Yes. Now we are talking about my government's investment in child safety. My government will invest a further \$200 million over four years—

CHAIR: Excuse me, Premier. On the point of order, I rule that the Premier is allowed to answer the question in any way she desires.

Ms PALASZCZUK: Thank you, Chair. My government will invest a further \$200 million over four years in restoring Child Safety Services—the largest funding injection to support front-line Child Safety jobs in over a decade. This investment means an extra 236 new Child Safety workers this financial year, increasing to 292 in the following year. This is on top of the 129 new staff who commenced in 2016-17, bringing the total of new staff to 421 over three years. The additional staff will help bring down caseloads, improve practice and give support to children, parents and carers.

Since January 2015 we have progressively established 23 Intensive Family Support services and 17 Family and Child Connect services across 20 catchment areas so that families can get help earlier. In this year's budget, we are supporting families with another \$5.5 million to expand Intensive Family Support services.

To outline the growth in demand, the latest data shows that the department received 105,982 intakes over the last year which compares with 96,976 intakes on the previous year. Of last year's total, 23,050 intakes resulted in a notification, and all notifications require investigation.

While the latest figures show that our department is responding well to demand, there is more work to do. We will continue to work with the department of child safety, government and non-government stakeholders, and the community to do everything we can to protect Queensland's children.

While we are speaking about this, I might ask the Family and Child Commissioner, Cheryl Vardon, to come forward.

Mr NICHOLLS: We have more questions, Chair. This just chews up time.

Ms PALASZCZUK: I am allowed to answer the question, I am sorry.

Mr POWER: The child commissioner 'chews up time'?

Ms PALASZCZUK: Can you please take a seat, Cheryl?

Mr NICHOLLS: The questioner is satisfied with the answer.

Ms PALASZCZUK: No. I am answering the question. I have asked a witness to come forward to see whether she would like to elaborate.

CHAIR: Can we continue, please?

Ms Vardon: I am happy to elaborate further if the committee wishes in terms of the QFCC oversight responsibilities for the child protection system and the activities that we undertake in that process and to talk about the data that the Premier has referred to. We are briefed frequently and often by the department of community services on that data. In terms of oversight, as the committee would know—

Mr JANETZKI: Mr Chairman, I raise a point of order. My question was quite clear in that I am seeking an answer to: is the commission currently undertaking an investigation into the systemic issues in the child protection system? I would like a direct answer, if possible, Mr Chairman.

CHAIR: In relation to your point of order, the director-general or Premier may answer a question in whatever way they deem proper.

Mr NICHOLLS: Mr Chair, I raise a point of order. Here is the statement made by the Speaker—

General rules for answers

...

- (a) in answering a question a Minister or member shall not debate the subject to which it refers; and
- (b) an answer shall be relevant to the question.

There is the absolute declaration of the rules for answers under standing order 118 and the Speaker's statement, 'I intend to enforce the standing orders.' The member has asked a question in relation to an investigation by the Family and Child Commissioner into a particular area. It is not an opportunity to go on a trip around the world reading out the SDS statement. I ask you to rule on the relevance of the answer to the question asked by the member for Toowoomba South.

CHAIR: Again, I repeat that my understanding is that the Premier can answer the question in any way—

Ms PALASZCZUK: I have asked the Family and Child Commissioner to come forward to add to my comments.

Mr NICHOLLS: Surely, Mr Chair, on a point of order, the issue is: can the Family and Child Commissioner add anything further to the question that has been provided or is the Family and Child Commissioner engaging in a further discussion other than answering the question that was asked?

Mr POWER: On a further point of order, the question had multiple parts. The children's commissioner is an expert witness and is relevant.

Ms PALASZCZUK: That is correct.

CHAIR: For the benefit of the committee, can we clarify the relevance of your answer to the question?

Ms PALASZCZUK: The member asked a broad-ranging question about the system.

Mr JANETZKI: No. Mr Chairman, I raise a point of order. The question was quite particular—

CHAIR: Member for Toowoomba South, please do not interrupt the Premier while she is speaking.

Mr NICHOLLS: Mr Chair, you are either in charge of this committee or you are not. You make the rulings and we are happy to abide by them. We are happy to have a discussion about the relevance of them. There was a question that was asked. The rules are quite clear. You have asked for the relevance to the question. The member is restating the question. That would probably assist the Family and Child Commissioner actually give a response to the question that is relevant to the things that the member for Toowoomba South is inquiring into. Surely that is the appropriate outcome.

Ms PALASZCZUK: The Family and Child Commissioner is here and she can talk about her role in monitoring the system which is directly relevant to the question that was asked by the honourable member.

CHAIR: Can you clarify the relevance of the answer to the question? If not, we will move on from the commissioner.

Ms Vardon: Thank you, Chair. The answer to the question, to scale that back a little, is that the QFCC conducts systemic oversight and evaluation of all facets of child protection including the areas raised in your question, and we do that in a number of ways. One is through the range of reviews and reports which we are required to produce from time to time. The other clear way is through section 40 of our legislation which looks at the child protection system as a whole and is reported in our annual report.

Mr JANETZKI: Thank you, Commissioner.

Mr NICHOLLS: I welcome Mr Setter and congratulate him on his very recent appointment because I note that he was still acting in that role until last Friday afternoon at about four o'clock when the release came out. Congratulations on your 2½ years of purgatory ending and actually being appointed to the role of Public Service Commissioner. Premier, as you would be aware, the opposition submitted a question on notice, before the announcement of Mr Setter's appointment I might add, seeking details on the cost of recruiting someone to the role of the Public Service Commissioner. The recruiting costs were about \$70,000, as highlighted in answer to question on notice No. 17. Can you advise how many short-listed candidates were interviewed for the role?

Ms PALASZCZUK: I ask my director-general to respond.

Mr Stewart: I cannot recall how many short-listed candidates there were. I would have to go back and look at the selection report. There were certainly a number of people who applied for the role. It is obviously a very competitive role. We went through a merit based selection process. In fact, the panel comprised Professor Coaldrake, from memory, and the Public Service Commissioner from Victoria. It was a competitive process. I would have go back and look at the selection report.

Mr NICHOLLS: Will the Premier take on notice the question in relation to how many short-listed candidates were interviewed for the role?

Ms PALASZCZUK: Sure.

Mr STEVENS: Premier, can you confirm whether the 2016-17 Working for Queensland survey has been conducted and completed and when that survey may be released for public consumption?

Ms PALASZCZUK: My understanding is that it is completed and it will be up this week.

Mr NICHOLLS: To follow on from that question, Premier, the Working for Queensland survey, as I understand it, would have probably been conducted between April and May 2016. It is not on the web. It is not discoverable by the Parliamentary Library. Is there any reason why it takes a year for a document like that to be published and made publicly available?

Ms PALASZCZUK: It is going to go up today. I have some preliminary results here that I am happy to share with the committee.

Mr NICHOLLS: No. My question was: is there any—

Ms PALASZCZUK: No. I am answering the question.

Mr NICHOLLS: No, you are not.

Ms PALASZCZUK: You asked about Working for Queensland.

Mr NICHOLLS: I was asking: is there any reason why it was not posted until 12 months after, on the day of estimates hearings, in the same way that today you tabled, as you did last year, the Public Service Commission's figures?

Ms PALASZCZUK: Not to my knowledge, but I am happy to share with the committee some of the employee opinion results now.

Mr NICHOLLS: Is it the case that there was no reason? Is that what you just said?

Mr POWER: I raise a point of order, Chair. The question has been asked. The Premier immediately begins answering the question. Then the member for Clayfield simply interrupts in an argumentative way before a sentence has been completed. This is clearly out of order and I ask for the chair's ruling on this.

CHAIR: Again, I repeat that the Premier is able to answer the question in any way the Premier deems proper. I call the Premier to continue.

Mr NICHOLLS: Is it the case then that you say that there is no reason for you to do it?

CHAIR: Order!

Ms PALASZCZUK: The survey has been undertaken. It has been completed. It is going to go up this week.

Mr NICHOLLS: A year late.

Ms PALASZCZUK: I am happy to talk about the survey results.

CHAIR: Member for Clayfield, please allow the Premier to answer the question.

Ms PALASZCZUK: It is conducted annually. It monitors perceptions of engagement, leadership, workplace and climate. We have had the 2016 findings. The 2017 data is due up this week. A major review of the survey in late 2016 identified areas for improvement. In respect of changes since the survey commenced in 2015, minor refinements have been made to the survey instruments each year to ensure the survey continues to collect useful information which is needed for the Public Service. I will now ask Dave Stewart to expand on that answer.

Mr Stewart: In relation to your previous question on the Public Service Commission role, there were 35 applications and three candidates short-listed for interview. In relation to the Working for Queensland survey, that survey document has been actively used within the Public Service and across the Public Service in various departments, divisions and sections to look at the issues that public servants raise with us. We continue to do that and we have been actively using that survey. It helps me in my own department, and I know that my fellow directors-general use it as well.

Mr STEVENS: It has been 12 months. Has that survey in any way been redacted, sanitised or changed—

Mr Stewart: No.

Mr STEVENS:—and, if it has not, what is the reason it has taken 12 months to make it public?

Mr Stewart: The Premier said that the report will be up—in fact, I think it is up now. The bottom line is that we use that survey actively. It has been used across the Public Service—

Mr STEVENS: Over the past 12 months?

Mr Stewart: Yes. In fact, we are due to do the next Working for Queensland survey shortly.

Ms PALASZCZUK: We will take on notice whether it is up now or whether it will be up later this week. Can we find out and get back to the committee ASAP?

Mr NICHOLLS: I think you will find that it is not up yet.

Ms PALASZCZUK: I was advised that it would be up this week.

Mr NICHOLLS: That is fair enough. The question is: why has it taken a year since the survey was done to get up if it has information that is of interest and value? Can you confirm whether the 2017 Working for Queensland survey has been completed, if it is done annually and when it might be up, Director-General?

Mr Stewart: The 2017 survey will be open from 31 July to 21 August this year, so it has not started yet.

Mr NICHOLLS: It has not started yet.

Mr Stewart: No.

Mr NICHOLLS: It was more than a year since the last one was done.

Mr Stewart: They are done annually.

CHAIR: I hand over to the member for Lytton.

Ms PEASE: I refer to the Housing Strategy, mentioned on page 6 of the Capital Statement. Can the Premier outline what the government is doing to promote affordable housing for Queenslanders?

Ms PALASZCZUK: I thank the member for Lytton for her question, because I know how important housing is in her area. In fact, housing is a very important issue right across our state. We all know that giving a family a roof over their head means so much and is the nucleus for everything else that flows on from that.

My government has committed \$1.8 billion over the next 10 years for our Housing Strategy. A total of \$1.6 billion in funding will be used to construct 4,522 new social houses and 1,034 new affordable houses, and we will be able to see the development of thousands more private dwellings over the 10-year strategy. In the first five years, 2,972 social houses and all of the planned 1,034 affordable houses will be built. This strategy will provide 600 full-time jobs a year for the first five years and 450 jobs a year after the 10-year life of the project. This will be achieved by partnering with the private building industry and community housing providers to develop already identified vacant under-utilised government land.

This is no different from what happens now. We all know in our own areas that if there is an old house which can no longer be refitted it is demolished and the land is there. Sometimes you can put two or three blocks together and you can put a unit complex there. As we know, there are a lot of elderly people in our communities and sometimes a three-bedroom home is too much for them to manage. The prospect of moving into a ground-floor, two-bedroom, brand-new unit is sometimes an option they would like to consider.

Sites available for development include areas around Brisbane, Ipswich, Logan, Redlands, Toowoomba, Gold Coast, Townsville, Central Queensland and the Sunshine Coast, to name a few. In addition to \$1.6 billion for housing construction, the strategy also comprises a further \$50 million to provide better housing support services including \$30 million for a suite of fairer and more efficient support services, \$20 million for the expanded Logan Youth Foyer and two new youth foyers in Townsville and the Gold Coast. Social housing is an initiative that strengthens communities, and I know personally from speaking with people how important it is.

I still remember when Mick de Brenni and I met with a young person who was homeless at the launch of the Housing Strategy. The youth service helped him get into a house, and he is now in his own unit in New Farm and he has a job. You have all those flow-on impacts from having a roof over

your head such as a steady income. He is a carpenter. He will probably end up building his own home one day which will be a lovely outcome. At the end of the day, this is not only about having more housing stock but also about giving people an opportunity to get into their own homes.

CHAIR: Premier, I refer to page 56 of the SDS—

Ms PALASZCZUK: Sorry, Chair, can I interrupt you? The 2016 Working for Queensland survey is online.

CHAIR: Premier, I refer to page 56 of the SDS which lists the visitor target to the Queensland Art Gallery-Gallery of Modern Art in 2016-17 as 1.3 million but the estimated actual at 1.7 million. Can you explain the jump in visitor numbers by 400,000 people?

Ms PALASZCZUK: Thank you very much for the question, Chair. Of course we all know how wonderful QAGoMA is. That is especially true given that at the end of this year the exterior of the Gallery of Modern Art will come alive with a stunning light installation work by American artist James Turrell. It will cap off GoMA's 10th year celebrations, a year that has seen stunning exhibits and record attendances across the iconic new building and the heritage listed Queensland Art Gallery. Are you right, member for Mermaid Beach?

Mr STEVENS: I am good. Are you okay, Premier?

Ms PALASZCZUK: I thought you were snoring. Put simply, art lovers and families have flocked to QAGoMA in record numbers, thanks to the investment and backing of my government. 2016-17 is the first year that the Queensland Art Gallery's visitation measure in the SDS has combined on-site attendance at South Brisbane with regional touring attendance, with both a national and international tour. In fact, the 2016-17 actual figure for attendance is more than two million—the highest result in the gallery's history and an increase of 41 per cent compared to the average of the last three years.

The record visitation to QAGoMA happened in the first year after my government reinstated limited life funding for blockbuster and major exhibitions, with \$10.8 million over four years. This investment allowed the gallery to secure the exclusive world-first exhibition *Marvel: Creating the Cinematic Universe*. This has been a coup for Queensland. I was very pleased to work with Tracey Vieira from Screen Queensland as well as Chris Saines from QAGoMA. As of 16 July I would like to advise the committee that the number of fans who have visited this exhibition alone is now 159,349, which is absolutely phenomenal. Social media has been awash with pictures of families and friends posing in front of the interactive green-screen feature to create their own Marvel movie poster.

More than 628,000 people took the opportunity to see new commissions and revisit old favourites as part of the anniversary show. Before *Marvel* they had *Sugar Spin* where 628,000 people took the opportunity to see the commissions. Another initiative from the *GoMA Turns Ten* celebration was the installation of *Tow Row 2016*, a bronze sculpture by Judy Watson—

Mr STEVENS: I heard a sound from the chief of staff—

Ms PEASE: Chair, I raise a point of order. I draw your attention to non-government members, who keep talking through the Premier's response.

Ms PALASZCZUK: People are actually paid to be on a committee.

Mr STEVENS: I did notice that the chief of staff—

Ms PALASZCZUK: You have been talking and you have been snoring. Honestly, it is ridiculous. You are one of the longest serving members here.

Mr STEVENS: I have not been snoring, and that may well reflect your speech—

CHAIR: Order!

Ms PALASZCZUK: It is disrespectful.

Ms PEASE: Chair, can I—

CHAIR: I am dealing with one point of order at a time. Deputy Chair, could you withdraw those remarks, please?

Mr STEVENS: Which remarks?

Ms PEASE: My point of order was going to be that that was completely inappropriate.

Mr STEVENS: In fact, I was accused of snoring. I find those comments offensive and they should be withdrawn.

CHAIR: The original point of order was that non-government members have been continually talking while the Premier is trying to answer the question. I remind members to afford the appropriate respect to the Premier or to any member answering a question in these hearings. I ask the Premier to continue.

Ms PALASZCZUK: Thank you very much, Chair. Exhibitions at the gallery also included Sally Gabori and Cindy Sherman which have attracted another 300,000 visits. I attended both of these exhibitions while at QAGoMA, and I am pleased that they drew audiences at subsequent venues. They were both such stunning examples of women artists working at their peak in painting and photography respectively.

My government's investment in QAGoMA is paying off in terms of boosting cultural tourism. Approximately 48 per cent of surveyed visitors came from interstate or overseas, compared to the previous three-year average of 59 per cent. I think we have Chris Saines here. Would Chris like to come forward? I know that Chris has had a lot to do with the number of great productions that have come through QAGoMA.

Mr Saines: Specifically in regard to the question about the increase from the predicted 1.3 million to 1.7 million, there has been a significant increase, as the Premier has mentioned, as a result of the free exhibition *Sugar Spin*, which was a record attendance for a free show at the gallery. We are also trending very strongly with the Marvel exhibition, as has been mentioned. At this stage the exhibition has achieved the highest daily average of any exhibition in our history by a margin of in excess of 1,000. It is looking as if it will be a very strong result for the gallery.

Mr POWER: When does it finish up?

Mr Saines: It finishes up on 3 September.

Mr POWER: I will have to bring the kids

Ms PALASZCZUK: You will have to bring the kids along. It is wonderful.

CHAIR: I now hand over to the member for Logan.

Mr POWER: I refer to page 14 of the SDS, which states that Screen Queensland will receive \$21.8 million in an administered fund in 2017-18. Premier, what outcomes has Screen Queensland achieved in the past financial year? What are the plans for the coming financial year for this important industry?

Ms PALASZCZUK: I thank the member for Logan for that question. This is another real success story when talking about diversifying our state in terms of having a permanent movie industry based on the Gold Coast but also one which is able to be adapted and move around other parts of Queensland. There is also strong interest in Cairns. I was up there last week. They would like to see some more productions filmed up there.

In 2015-16 Screen Queensland received a funding injection of \$30 million over four years to significantly boost domestic and international film production. Since its inception, this production and attraction strategy has supported 12 major productions which are forecast to inject \$325 million of Queensland production expenditure into our local economy. This work has also generated more than 4,000 jobs. Because of this strategy, last year we saw the Village Roadshow Studios on the Gold Coast transform into Asgard and other fantastic locations for the Marvel blockbuster *Thor: Ragnarok*. I think you can see some of those sets still on show at *Marvel*.

We have also been able to attract other films to be filmed here: *Kong: Skull Island*, *Jungle* and *The Nest*. In 2016-17 Screen Queensland funded 37 screen productions which would generate an estimated \$214.2 million in Queensland production expenditure. This includes *Pacific Rim*, which created 270 jobs with an estimated \$8.3 million local spend. At the moment *Aquaman* is being filmed down on the Gold Coast. I am hoping that when we govern from the Gold Coast I might be able to visit that set and see how things are going. That will create 750 jobs and pump an estimated \$100 million into our local economy. I have some good news that I want to talk with the committee about—and I might ask Tracey Vieira to come forward as well. Queensland has been able to secure the first Netflix series to be filmed in Queensland. I am really thankful that we have that—and also ABC studios. There will be one being filmed in Brisbane and the other one is looking at being filmed at North Stradbroke Island, and that is by Hoodlum. I might ask Tracey to expand on that exciting news.

Ms Vieira: Yes, we were very excited to announce that Netflix are doing their very first original series here in Queensland. Most excitingly, it is from a Queensland writer and Queensland producers, which means the IP has been generated out of Queensland.

Mr NICHOLLS: Is it the first original in Australia?

Ms Vieira: Yes, it is the first original series in Australia, correct. Previous Netflix productions including *Mako Mermaids*, which was also made here in Queensland, have been acquired by Netflix. That is also wonderful because they have gone to more than 170 countries. This is the very first original series commissioned out of Australia that will be made here in Queensland and all of those benefits, including jobs, will come back here to the state.

Ms PALASZCZUK: We also had the opportunity when we were in the US to once again meet with a lot of the film studios. We had the opportunity to meet with Netflix. They are incredibly excited about the production that they are going to be filming here in Queensland. They see it as the first of many more to come. Other studios we were visiting love our scenery in Queensland. I could not help but talk about some of the outback and also opportunities up in the cape and Torres Strait. I think we have a great story to tell. To get that Netflix series to be filmed here is a great credit to Tracey and her team in working with Hoodlum. We are going to catch up with them when they are next out here, and production should be starting—

Ms Vieira: *Tidelands* will begin preproduction in November and will start shooting early next year. Equally, Hoodlum have just started preproduction on *Harrow*, also a Queensland generated series which will go global. They are in preproduction right now. Again, that will generate significant jobs and spend in our state.

Ms PEASE: Premier, I refer to page 63 of the SDS, which states that the 2017-18 budget will continue to implement a four-year \$7 million investment into the Queensland Museum's critical infrastructure. Can you please expand on this and any other investment?

Ms PALASZCZUK: I will start talking about the museum, but I might get Suzanne Miller to come forward, the Director of the Queensland Museum. The Queensland Museum network is the humble achievement of Queensland's cultural precinct led by Professor Suzanne Miller and her team. The museum is delivering on its charge to inspire all Queenslanders to discover, celebrate and value our distinctive natural and cultural environment. I am proud to say that the Queensland Museum network attracted 2.25 million visitors to four campuses in 2016-17, achieved more than 2.1 million online visitors and distributed educational loan kits to more than 695,276 users. In fact, with 1.95 million visitors to South Bank, Queensland Museum and Sciencentre in 2016-17, it is in line to have the highest visitation to any single museum in Australia. I think that is something that everyone should be incredibly proud of. This is a fantastic achievement and with investment into the Queensland Museum network from my government it is a position that the museum is determined to hold. I might hand over to Professor Miller to talk a bit more about the activities of the Queensland Museum.

Prof. Miller: Thank you for the question. We have had an astonishing year, as the Premier mentioned, in our visitation and across-the-board we have had extraordinary support. We are very pleased in particular to be able to be looking after the state collections and improving the storage facilities for our collections of which we are the custodians. We have 1.2 million objects in the state collections and a further 14 million objects in the state research collections. We have been working over the last three years to provide improved, upgraded and additional storage for the collections. We received \$2.3 million from the Queensland government over four years, \$700,000 to be spent in 2017-18 and a million dollars spent over the last two years. That has resulted in significant upgrades of large parts of our collection to date including our anthropology collections and our archaeology collections. I will give you some highlights. We have added an additional 180 metres cubed of storage, which is very significant in museum terms. That has allowed us to house so much more of our collections to international museum benchmark standards. It has increased our collection accessibility from 63 to 98 per cent in those areas, which is quite phenomenal and the quantity of storage meeting international standards from 50 per cent to 80 per cent in the last three years alone.

We have been able to house items such as the *The Book of the Dead*, one of our most significant international objects, appropriately with more than 8,000 individual pieces of the *The Book of the Dead* now housed to international standards. Overall, the storage upgrade will allow us to house not just our ethnography and anthropology collections but also our wet collections, our natural history collections, collection storage and alcohol, which will also improve the workplace health and safety for our staff and for researchers accessing those collections. Overall, we will increase our storage capacity by between 20 and 25 per cent, which provides us with five years of growth for those particular collections.

Mr NICHOLLS: Professor, it is good to see that continual investment in Hendra. That is about the only thing that is.

Ms PALASZCZUK: You were happy about Netflix? You were happy about Screen Queensland?

Mr NICHOLLS: I am. We started it with Pirates. In terms of the SDS, page 6 states ‘to coordinate Queensland’s response to firefighting foam chemical contamination at defence and airport facilities’. Premier, when was your office first informed about the spill of toxic firefighting foam into Moreton Bay that happened just before Easter?

Ms PALASZCZUK: I would have to go back and check those records. I do not have that off the top of my head.

Mr NICHOLLS: Do you mind taking that question on notice and letting us know when that occurred?

Ms PALASZCZUK: Yes, of course.

Mr NICHOLLS: The spill occurred on 10 April.

Mr Stewart: It was the Tuesday, was it not?

Mr NICHOLLS: I think the spill occurred on the Monday night. The notification—

Ms PALASZCZUK: I think I was informed on the Thursday. I have some information here. I will have to double-check, but I am quite sure I was advised on the Thursday. I have here that on 11 April Qantas advised Queensland’s Department of Environment and Heritage Protection that a spill of firefighting foam had occurred at the Brisbane Airport and that the foam contained those chemicals. My government took immediate steps to assess and mitigate the risks from the spill even though it originated on federal government land, outside the state’s control. We took a sensible approach and advised people to avoid seafood consumption from the potentially affected area while sampling and testing was being undertaken. Queenslanders were kept informed with all sampling results made publicly available. I also personally spoke to Alan Joyce about this issue and stated that the public needed to be informed directly by Qantas. I still think that at that stage we had not heard anything from the federal government in relation to this matter. That is my recollection, but I am happy to double-check that.

Mr NICHOLLS: If I have the timing right from what you have just said, the spill occurred on the Monday night, Qantas notified the government on the Tuesday morning. Your office was informed on the Thursday, I think you said?

Ms PALASZCZUK: I said I was advised.

Mr NICHOLLS: You were advised on the 14th; is that correct?

Ms PALASZCZUK: I am going to check that for you.

Mr NICHOLLS: That is to the best of your recollection at the moment, yet the public was not notified about the spill until lunchtime on 15 April. The question is: why was there a reasonably significant delay between—

Ms PALASZCZUK: I think the issue was in relation to the liaison—

Mr NICHOLLS:—the Tuesday morning and Good Friday lunchtime?

Ms PALASZCZUK:—between Environment and Qantas.

Mr NICHOLLS: The liaison between the department of environment and Qantas led to the notification not occurring until Good Friday, the 15th, about lunchtime?

Ms PALASZCZUK: No, I think there were—I will double-check for you, but my understanding is there were some issues around Qantas and the environment and the federal regulator. Also let me say there was a vacant space here from the federal government when it happened on federal land.

Mr Stewart: I had to ring the federal regulator.

Ms PALASZCZUK: That is right. I will ask Dave Stewart to add to this.

Mr Stewart: I ended up also speaking to the federal regulator, which is—

Mr NICHOLLS: CASA.

Mr Stewart: No, it is actually DIRD. I spoke to Mike Mrdak to talk about the significance of this issue. I also recall only being personally advised on Thursday as well.

Mr NICHOLLS: There is a report that says the decision to keep the spill secret until Good Friday was not the idea of Minister Miles but it was the Premier’s office that demanded that the spill be kept under wraps. Is there any truth in that story?

Ms PALASZCZUK: I have not seen that.

Mr NICHOLLS: It is a report by Steve Wardill in the *Courier-Mail*. I am just asking whether it is true or not. I am not saying whether it is or not. What it says is—

Mr Stewart: There is an investigation underway and I think the department will highlight all those facts as part of that process. I have to go back and look at my own dates as well.

Ms PALASZCZUK: I still think the question you should be asking Malcolm Turnbull is: when are we going to hear from the federal government?

Mr NICHOLLS: In relation to Arts and Arts Queensland, your area of responsibility, where is the business case at for the second arts theatre in Brisbane?

Ms PALASZCZUK: My understanding is that we have received the business case and government is currently looking at that. However, in the meantime there is the market led proposal process as well, so we are letting that take its course. Government will be making a decision about that before the end of the year.

Mr NICHOLLS: I just wonder because the Building Queensland website said that the detailed business case would be completed in the first quarter of 2017. Was it completed in the first quarter of 2017?

Ms PALASZCZUK: The business case?

Mr NICHOLLS: This is the detailed business case. It is being undertaken by Arts Queensland assisted by Building Queensland. Was it completed in the first quarter of 2017?

Ms PALASZCZUK: It has been, yes.

Mr NICHOLLS: By 31 March? It has been with government for consideration since the end of March 2017?

Ms PALASZCZUK: It has not come to me for formal consideration yet.

Mr NICHOLLS: Was it completed by the end of March, or was it completed a week ago, a month ago?

Ms PALASZCZUK: It has been completed. It will go through a cabinet process. You understand how cabinet process works, but at the moment there is a market led proposal as well. We want to look at all the options and see which is the best site. If you want to put in your view, too, you are more than welcome.

Mr NICHOLLS: I am pretty sure you are not going to let me into the cabinet room to have that discussion with you.

Ms PALASZCZUK: No, you are never allowed in there. We know what you did for three years. Ask the 14,000 people who lost their job.

Mr NICHOLLS: Let me go back and see if we can get an answer to the question. Was it completed by 31 March?

Ms PALASZCZUK: My understanding is yes, it was.

Mr NICHOLLS: It has been with the government since 31 March?

Ms PALASZCZUK: Yes.

Mr NICHOLLS: But it has not yet been considered by cabinet?

Ms PALASZCZUK: That is correct.

Mr NICHOLLS: That is fine. That is all I needed to know.

CHAIR: That is time. The time allocated for the consideration of the proposed expenditure for areas of responsibility administered by the Premier has now expired. On behalf of the committee I thank the Premier and departmental officers for their cooperation. The transcript of this session of the hearing will be available on the Hansard page of parliament's website within two hours.

With respect to questions taken on notice, the committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 10 am on Friday, 21 July 2017. The committee has concluded its examination of matters relating to the Premier and related entities referred to it by the parliament. Before I conclude, on behalf of the committee I thank Hansard staff, the secretariat and the attendants for their assistance. The committee will resume with the examination of the proposed expenditure for the areas of responsibility administered by the Treasurer and Minister for Trade and Investment at 2 pm.

Ms PALASZCZUK: Before I finish can I say that in an earlier answer regarding the Advance Queensland Industry Attraction Fund I stated that five projects had been announced under that fund. I am advised that this number is three that have been announced with a further six currently being negotiated. First of all, I thank you, Chair and all the members of the committee. I also thank my chief of staff, my director-general, all the deputy directors-general as well as my own personal staff. A lot of time and effort goes into preparing for these estimates. A lot of people spend a lot of hours and it is a huge process. The Leader of the Opposition also knows that process from when he was in government. I want to thank all of the public servants who have been involved. They have done a great job and I am honoured to be the Premier of this state. I thank each and every one of those public servants for their help. I say a big thank you to Ian Hutcheon from my office who has worked night and day on this.

Proceedings suspended from 1.32 pm to 2.01 pm

ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—TREASURY AND TRADE AND INVESTMENT

In Attendance

Hon. CW Pitt, Treasurer and Minister for Trade and Investment

Mr J Humphreys, Chief of Staff

Queensland Treasury

Mr J Murphy, Under Treasurer

Mr D Molloy, Acting Deputy Under Treasurer

Mr W Cannon, State Actuary

State Penalties Enforcement Registry

Ms N Barber, Registrar

Trade and Investment Queensland

Ms V Greville, Chief Executive Officer



CHAIR: The committee will now examine the Appropriation Bill 2017 and the estimates for the areas of responsibility administered by the Treasurer and Minister for Trade and Investment. On behalf of the committee I welcome the Treasurer, Under Treasurer, departmental officers and members of the public to today's hearing. The committee will consider the estimates for the portfolio until 6 pm. The committee will suspend proceedings for a short break at 4 pm and resume at 4.15. I welcome Scott Emerson, shadow Treasurer, shadow minister for small business and member for Indooroopilly. I remind those present this afternoon that the committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament.

It is important that questions and answers remain relevant and succinct. The same rules for questions that apply in parliament also apply in this hearing. I refer to standing orders 112 and 115 in this regard. Questions should be brief and relate to one issue and should not contain lengthy and subjective preamble, argument or opinion. I intend to guide the proceedings today so that relevant issues can be explored fully without imposing artificial time limits and to ensure there is adequate opportunity to address questions from government and non-government members of the committee. For the benefit of Hansard I ask officials and advisers to identify themselves the first time they answer a question referred to them by the minister or director-general.

I now declare the proposed expenditure for the areas of responsibility administered by the Treasurer 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, Mr Chair. Firstly, I acknowledge that we meet on the land of Aboriginal people, and I pay my respect to elders past and present. We are very fortunate in this country to have two of the world's oldest continual living cultures in Aboriginal and Torres Strait Islander peoples, whose lands, winds and waters we all now share.

With me today at the table are Under Treasurer Jim Murphy, Deputy Under Treasurer Dennis Molloy, Trade & Investment Queensland CEO Virginia Greville, and CEOs of government owned corporations. Also at the table is my chief of staff, Jason Humphries.

It has been just over a month since I delivered the Palaszczuk government's third budget. All three budgets in this term have built on a responsible and disciplined economic plan, and our budgets have had an increasing focus on regional Queensland. It is regional Queensland, with its many regional centres and varied industries, that illustrates the depth and diversity of our state economy. It is where we as a great trading state generate a large part of the exports that underpin our economy and allow us to go toe to toe with other states and nations as we trade and generate income from around the globe. In less than three years our economic plan has strengthened business confidence, restored front-line services and helped people get back to work. Almost 70,000 net new jobs have been created since the 2015 election, and this third budget aims to create even more.

Queenslanders have every reason to be optimistic about our state's economy as it continues to head in the right direction. Just yesterday we saw a respected and independent analysis by Deloitte Access Economics which once again highlights our state economy's strength. Thanks to our economic plan, the 2015-16 and 2016-17 state budgets were both in surplus. Significantly, these surpluses were delivered before the spike in world coal prices that saw rapid revisions of royalty incomes. We are on track for a \$2.8 billion net operating surplus in 2016-17, which is the biggest in a decade. The 2017-18 budget will remain in surplus but will be much reduced due to the impact of Tropical Cyclone Debbie and the related flood events.

With regard to that issue, I want to take this opportunity to recognise the residents, business operators, farmers and others who are still recovering. I also thank all those who were involved at the front line or were first responders in terms of the widespread disaster. Tropical Cyclone Debbie is expected to shave around \$2 billion, or three-quarters of a percentage point, off our GSP in both 2016-17 and 2017-18. Despite that, our economic growth is forecast to strengthen from 2.4 per cent in 2015-16 to 2.75 per cent in both 2016-17 and 2017-18 before improving to three per cent in 2018-19 and the rest of the forward estimates.

Queensland is setting records when it comes to exports. In the first 12 months to May, our merchandise exports rose by 32.2 per cent, or \$15.5 billion, to reach \$63.4 billion. This is well over \$1 billion a week. In real terms, exports are expected to grow between three per cent and four per cent over the forecast period. Significantly, our domestic economy is also experiencing an upturn. We have recorded five consecutive quarters of growth in state final demand after eight consecutive quarters of contraction. We are seeing growth in business investment after a sustained contraction over 12 consecutive quarters that followed the end of an unprecedented investment in the liquefied natural gas industry of \$60 billion.

Our economic plan has delivered an essential ingredient for growth, investment and job creation: business confidence. The Sensis business confidence index for small and medium sized enterprises puts us at the highest level in seven years. The NAB Monthly Business Survey has ranked us highest or second highest in the confidence ladder for 28 out of the past 30 months. Ratings agencies have expressed their confidence, too. Moody's Investors Service has affirmed our Aa1 credit rating and moved us to a stable outlook after a negative outlook was imposed following the 2012 state budget under the former government. Our AA+ credit rating by S&P Global has also been affirmed. These are significant decisions because ratings agencies examine every aspect of our economic plan, including our Debt Action Plan and our balance sheet reforms.

In 2012-13 Queensland's debt-to-revenue ratio was 91 per cent and should be 60 per cent in 2016-17 and 2017-18. In 2017-18 general government debt is expected to be more than \$14 billion lower than forecast under the former government's last budget. Non-financial public sector debt, including GOCs, is expected to be \$10 billion lower. This has been achieved without selling our income-generating assets or cuts to jobs in front-line services. Clearly our economic plan is working.

This government will never be complacent. We promised to focus on job creation and that is exactly what we have done. We have a \$42.75 billion Capital Works Program, which, along with other budget measures, will support around 40,000 jobs in 2017-18, mainly in the private sector. Our economic policies and infrastructure program, the reintroduction of Skilling Queenslanders for Work and our Back to Work program have helped generate nearly 70,000 net new jobs in 28 months. That is more than double the 29,100 created under the former government.

Mr Chair, I thank you for the opportunity to make an opening statement. We will continue to deliver on the promises we that made Queenslanders, and that is to ensure we are growing jobs in this state.

Mr EMERSON: My first question relates to the raid on public servants' superannuation, so I might ask that the State Actuary now come to the table. I seek leave to table an article from the *Australian* dated 21 September 2016.

CHAIR: Is leave granted? Leave is granted.

Mr EMERSON: Mr Cannon, I refer to an article titled 'Lift the lid on pension blowout' by the very well respected business journalist Robert Gottlieb. Are you aware of that article?

Mr Cannon: No, I have not seen this one. I am not aware of it. I need a little bit of time to read it but continue on, please.

Mr EMERSON: I am surprised you say that you are not aware of it, because it appears that you did email this article around to a number of people, including the Under Treasurer; is that is not the case?

Mr Cannon: Can I please have a look at it, just to remind myself?

Mr EMERSON: Yes, certainly.

Mr Cannon: Yes. Sorry, the date says 7 July so I thought it was referring to just a couple of weeks ago. No, I do have a recollection of this. It is not top of mind, but I do have a recollection so please continue.

Mr EMERSON: You do remember this article. Do you remember emailing it around to a number of people including the Under Treasurer, Jim Murphy?

Mr Cannon: Yes, I do.

Mr EMERSON: Why did you email it around?

Mr Cannon: I thought it was a useful context. We were trying to meet long-term public sector liabilities, not unlike some of the schemes in the US. There is quite a controversy within the actuarial profession in the US on some of these matters, and I thought it might be useful for some of the other executives in Treasury who have dealings with the superannuation scheme to be aware of what was going on over there.

Mr EMERSON: This article by Robert Gottlieb puts forward a view that there are different ways of valuing a pension or superannuation fund and that many actuaries are overestimating the surplus of funds; isn't that correct?

Mr Cannon: Yes. That is the assertion of the author; that is right.

Mr EMERSON: In terms of that, you seem to be indicating that this practice is occurring in Australia; is that the case?

Mr Cannon: It is common actuarial practice within Australia to use the so-called funding basis, which we may have discussed before, that makes certain assumptions about the earnings on the assets that back a scheme. That is different from the so-called accounting basis, which is what I think you are referring to here and what some of the debate in the US was about. The accounting basis is more conservative. It assumes effectively risk-free rates of return, and that is not the practice within Australia. As it turns out, I am well aware of this debate. I worked in the US for a while and I have seen some of these things discussed. In fact, in my reports I look at both bases and talk about both of them. However, as I said, it is Australian actuarial practice that the funding basis is used for funding recommendations, and it is not within my capability to do anything other than that if I am to meet my professional requirements.

Mr EMERSON: This article was obviously emailed around following the debate about the raid by the state government on the super fund. I seek leave to table an email cover letter from Mr Cannon.

CHAIR: Is leave granted? Leave is granted.

Mr EMERSON: You did struggle to recall the article. Hopefully you will remember the cover email.

Mr Cannon: Yes, I do remember it.

Mr EMERSON: Could you just read that out for me, Mr Cannon, in terms of what it says below the line, 'Attachments: Australian ... Public Sector Pension Blowout.pdf'?

Mr Cannon: 'The argument has moved to Australia—see the attached'.

Mr EMERSON: What does it say after that?

Mr Cannon: It says—

Cheers,

Wayne

(a truthful actuary ...)

Mr EMERSON: 'A truthful actuary'?

Mr Cannon: Yes, indeed.

Mr EMERSON: Given the article was about the debate about whether actuaries were overestimating the surplus in the fund, what did you mean by 'a truthful actuary'?

Mr Cannon: By that I meant that I am well aware of the distinctions between the two views of the scheme and for some time now I have been presenting those in my report describing the differences about them and when it is appropriate to use them and in what contexts. That is not unlike the practice that I think was referred to in this article. The New York pension actuary had a similar sort of process

where he used to present both views of the funding position of the scheme. I consider that sort of approach to be a little better than is required by the standards. It is at least the standards that apply to me, but I think by giving that additional information I am providing more information to the various stakeholders.

Mr EMERSON: You ended this email by saying—

Cheers,

Wayne

(a truthful actuary ...)

It has a little smiley face at the end. You did not mention that, but the smiley face is there.

Mr Cannon: I will be more careful in future, I assure you.

Mr EMERSON: The article by Robert Gottliebson states—

Here in Australia, the official actuaries reckon the promises we have made to public servants result in a deficit of about \$250 billion.

He was talking across Australia here. He continues—

But anyone who looks closely at the real figures knows that the truth—

and I point to that word ‘truth’—

is somewhere around a deficit of \$500bn to \$600bn—and its growing at \$6bn a year.

What Robert Gottliebson is saying is that the truthful figure here—indeed, the figures that he mentions here—are two to three times more than the figure that most actuaries are using. That is what he is referring to there. Is that correct?

Mr Cannon: Yes, I think he is. They are the figures that are used within the accounting liabilities of the various sponsoring employers—absolutely—so that is already listed.

Mr EMERSON: I am curious in terms of the fact that you have referred to ‘a truthful actuary’ at the end of your email—you are using those words there—and then you pass this around to Treasury officials. Why did you feel the need to pass it around to Treasury officials?

Mr Cannon: Because I felt it was useful information in the context of a debate within the US on matters that were not unrelated to the ones that we have to bear. I note that the approach that I have taken by including that additional information in my valuation reports and describing the differences—I have gone out of my way to speak to the trustees of the scheme and to current and past executives of Treasury on these sorts of matters so that there is full understanding of it—is over and above the requirements of me. Perhaps I was gilding the lily a little to talk about truthful. That was a reference to the article. My point was that I actually show all of this information and am trying to give a fully informed picture to everyone.

Mr EMERSON: So you have sent through an article to the Under Treasurer—

Mr Murphy: Yes.

Mr EMERSON: You will get your chance, Mr Murphy. Trust me: you will get a chance; do not worry. You sent through to Jim Murphy, the Under Treasurer, an article that says that basically the actuaries are underestimating or overestimating the surplus there by two to three times. You have ended your email by saying ‘a truthful actuary’—almost paraphrasing or referring back to the truth in the article about Robert Gottliebson. Were you not really sending this article to highlight the risk of underestimating the state’s superannuation liabilities?

Mr Cannon: I think the context is more one that we need to take into account the accounting liability, and as I said that is something that I have been doing that is not common practice amongst actuaries in Australia to the best of my knowledge and so I guess I was kind of defending my approach there. Providing that additional information, I believe, is of value and most actuarial reports that you read in Australia will not have that information in there. As I said, the reference to ‘truthful’ was in the context of the article. It was not on its own, but that was the intent of it. It was to point out that there were issues around the world, that they were not dissimilar to the ones we were facing and that if you just look at things using one lens you are not going to get the full picture. I think that is a reasonable thing to do and I am hoping that the other stakeholders were suitably informed.

Mr EMERSON: Thank you, Mr Cannon. You keep talking about that you provided full information to the government on both accounting methods in terms of the fund. I refer to a letter that you sent to Mr Murphy—I think we mentioned it at last year's hearings—about the actuarial investigation of the state public sector superannuation scheme, QSuper, where you went through probability of accrued deficit as at 30 June 2020. You will recall that there was a list of potential amounts of money being raided out of the super scheme and what the risk would be on a funding basis and what it would be on an accounting basis. I am sure you recall that discussion vividly from last time.

Mr Cannon: Yes, I do recall it well, Mr Emerson. That is the letter of 26 April to the Under Treasurer? Is that the one you are referring to?

Mr EMERSON: I believe that is exactly right.

Mr Cannon: Yes? Good. I have that here.

Mr EMERSON: As you say, you provide those figures on a funding basis and accounting basis. Just in terms of the State Actuary's office report *Actuarial investigation of the state public sector superannuation scheme (QSuper) as of 30 June 2016*—

Mr Cannon: 2016—the latest one?

Mr EMERSON: Yes, that is right. Where in terms of that have you referred both to the funding basis and also the accounting basis in that report please?

Mr Cannon: Sure. The risk statistics that are given in that table have not been repeated in the 2016 report and the reason for that is that the 2016 report was the first one conducted under the APRA funding and solvency framework. That one concentrates on the vested benefits measure, which is a different one to the accrued liabilities that are calculated under both those bases. I contemplated including all of those risk measures in the report, but I felt it would confuse the reader so I concentrated purely on that vested benefits measure and included in the executive summary the statistic there was a chance of one in three for the vested benefits measure to fall below 100 per cent over the four-year period. I note that some of the articles in the press subsequent to the release of my report tried to compare the one in three to the one in five that was in this letter last time and was discussed last year. It is on a different basis and it is important to note that. In fact, I redid the calculations and if you like you can actually look into one of the charts in the report to see it. Calculated on the same basis, it is one in five still, so there has been no change in the risk outlook. That is because the vested benefits, as I said last year, are a slightly higher benchmark to reach. They are around 10 per cent higher—that is the rule of thumb to think about—than the accrued liabilities on a similar basis. Does that help?

Mr EMERSON: I go back to your earlier statement to the committee about providing all this information and, at the risk of paraphrasing you, you said that you did not want to confuse people in the report by providing too much information.

Mr Cannon: Yes.

Mr EMERSON: You say the one in three is really just the one in five based on the funding basis process given when you looked back into it to see if that was the case.

Mr Cannon: Yes. Between 2015 and 2016 there is no real change in the risk outlook; that is right. It is one in five on a constant basis if you look at the funding basis accrued liabilities—about one in five—and if you are looking at vested benefits it is about one in three, which is a higher measure, as I said.

Mr EMERSON: So with regard to the accounting basis that you mentioned in the letter earlier where it had that a \$4 billion raid would be a one in two—50 per cent—what would that be now?

Mr Cannon: I must admit I cannot tell you off the top of my head. I will take that on notice if it is required because I would have to have the calculations and projections redone. Can I make this point—

CHAIR: The Treasurer has to take the question on notice if he chooses to.

Mr Cannon: My apologies, Treasurer.

Mr EMERSON: Thank you, Mr Chair. Again, Mr Cannon, I go back to your earlier evidence to the committee when you said you provided all of the same kind of information and data. In this letter to Mr Murphy on 26 April you provided on an accounting basis the figures, but this time you did not calculate it.

Mr Cannon: No, that is right.

Mr EMERSON: Why not?

Mr Cannon: Because this was the first valuation—the 2016 one—and if you recall that letter last year was on the 2015 review. This latest valuation is as at 30 June 2016 and that was under the APRA funding and solvency framework that concentrates on vested benefits which are required to be calculated, I might add, under the funding basis assumptions. APRA actually require that.

Mr EMERSON: Certainly. Last year on the accounting basis you said it was a one in two chance of it going into deficit, so potentially it could be higher than that now.

Mr Cannon: My gut feeling is it is going to be about the same because we find ourselves in a very similar risk position on the other two measures, so my gut feeling is it will be quite similar. The point I would like to make is that no Australian fund is funded to the level of the accounting liability. It is not done. It is not standard practice and it is not the case here either. As I said, there is useful information to be had about risk and about measurement of liabilities and that is why I try to provide that information. I note it is included in the government's financial statements, so whatever its merit it must be there—so it is important for that to be understood and the differences—but there is no requirement nor practice to fund to that level.

Mr EMERSON: Again I make the point, Mr Cannon, that you said earlier you are a truthful Actuary. You stress that in your email to the Under Treasurer when you sent an article to him that points out that actuaries in Australia are overestimating surpluses. Last year you provide information clearly showing on an accounting basis the fund has a one in two chance of going into deficit and today you tell me, 'Trust me. I've got a gut instinct that it's all going to be okay.' Can I tell you: if you are a public servant out there, that is not reassuring—your gut instinct.

Mr PITT: Is it really necessary for the member for Indooroopilly to bring into question Mr Cannon's reputation here? He is basically impugning Mr Cannon in his remarks. I would ask you to rule.

CHAIR: Member for Indooroopilly, you are making imputations in relation to the State Actuary, Mr Cannon, and I ask you to rephrase your question or move to the next question.

Mr EMERSON: Thank you, Mr Chair. I quote again from yourself, Mr Cannon. Just a moment ago you said that your gut tells you that it is going to be about the same. If you are one of the 82,000 public servants out there with a defined benefits scheme or all of those Queenslanders who potentially may have to cough up money through their taxes to top up this fund, do you think they would be satisfied with what your gut tells you?

Mr Cannon: I say again, with the Treasurer's permission, that I would be happy to take the question on notice for that.

Mr PITT: I am happy for the State Actuary to take that on notice to provide Mr Emerson with the information he needs so that he can move on to a more productive line of questioning.

Mr Cannon: I will come back when I can do those calculations later, but I really wanted to respond to the point you just raised about members of QSuper. One of the things that I have observed in my interactions with members and with QSuper staff particularly is how members have become frightened about their superannuation and that, I must admit, is very concerning because there is a government guarantee enshrined in legislation that ensures that members' benefit entitlements will be met. The repatriation and any of the funding measures are only to do with the government's managing of its assets to meet that guarantee, so there is absolutely no effect on member entitlements. I note that that was discussed, it has been in various press releases and the CEO of QSuper spoke on it last year, but I think it is really important. You raised it. Should I be worried about it? With my gut feeling I was trying to assist the committee with what I thought might be a rough estimate to answer the question, but I am absolutely concerned about members of QSuper and their concern over their benefits and I think it is really important to note that they should have absolutely no concern about it.

Mr EMERSON: Can I suggest, Mr Cannon, they were not frightened and they were not concerned until the Palaszczuk government raided the super.

Mr PITT: That is not at all what he is suggesting. He is trying to give reassurance and you are continuing to scaremonger, member for Indooroopilly.

Mr POWER: Point of order: this is clearly not putting a question. This is an argument and, what is more, it is a repetitious argument that he has put that is not actually asking a question of the witness in front of us.

Mr EMERSON: Can I just clarify in terms of that question on notice—

CHAIR: Order! We are now going to move to the member for Logan.

Mr POWER: The budget papers indicate that the economic outlook for Queensland is positive. What aspects of the Palaszczuk government's economic plan are driving the positive outlook for Queensland's economy?

Mr PITT: I thank the member for the question. I am pleased to speak to you today about what is happening in terms of our economic plan. Our economic plan has been laid out there in our third budget, which is the culmination of the efforts of the previous two. I say that because the first two, as we have examined in the previous two estimates hearings, have been about balance sheet reform, stabilising, reducing debt and getting the settings and business conditions right in Queensland to get the sort of outcomes that we are now seeing in the Queensland economy.

We have experienced strong growth since we came to office. We have bounced back from the 1¼ per cent that we saw in the 2014-15 year under Campbell Newman, when the now Leader of the Opposition was the treasurer. In 2015-16 we recorded economic growth of 2.4 per cent. As I have mentioned in my opening statement, it is anticipated that we will move to 2¾ per cent for both 2016-17 and 2017-18 and move up to three per cent in the 2018-19 year.

It is important, though, that we have had that impact of Tropical Cyclone Debbie and the floods. Three-quarters of a percentage point of economic growth is not small. For a state like Queensland, where we rely on agricultural producers and all of those people in the Whitsundays with their tourism ventures, we want to ensure they are contributing to state growth. Of course, an unexpected event like Tropical Cyclone Debbie has done that.

This is a good opportunity to clarify that the impact on growth is not only isolated to one year. There has been a lot of conversation about the overall impact of the cyclone—the \$2 billion economic impact and, of course, the \$1.1 billion fiscal impact being over one year. It is not that. It is spread over a few years and across the forward estimates. That means that we are still going to be having issues. This year it has been a mining impact. We have had an impact on tonnage in terms of some of our coalmines. Next year it is going to be an agricultural story—one where we start seeing an impact of maybe up to \$300 million on the sugar industry through the Mackay-Whitsunday area. All of that being said, we are still forecasting very strong growth in Queensland. As I have said, for the past 2½ years we have been successful in rebuilding confidence and business conditions. It is the sound fiscal principles that we have set ourselves—the toughest set of fiscal principles in the nation—that have really underpinned the work we have done in the previous two budgets.

Obviously, debt reduction has been a key part of that. We have had some questioning already as to one of the elements that we utilised in the previous budget. The results of the Debt Action Plan speak for themselves. When you look at the debt-to-revenue ratio for the general government sector you see that we have moved from a high of 91 per cent—in the 2012-13 year—down to 60 per cent for 2016-17 and 2017-18. A 31 per cent drop in the debt-to-revenue ratio in the general government sector means significant interest savings for Queenslanders. That is how we have been able to do some of the additional work that we have done.

It is important to not forget the opposition's favourite metric, which is looking at the non-financial public sector debt-to-revenue ratio. For their information—even though it is not our primary measure—that is down from 141 per cent to 114 per cent for the 2017-18 year. Making sure that we are funding our capital investment in the general government sector from around operating surpluses for 2017-18, the net operating cash inflows are budgeted at 59 per cent of the funding required for general government capital investments, decreasing slightly across the forward estimates, with the ramp-up of the capital program. I think you would have to agree that there is a lot in this budget in terms of our capital program. It is very targeted spending to get the best economic outcomes that we can, wherever the investments may be across the state. We are managing the capital program. It is a \$42.75 billion program over four years. Capital purchases over the forward estimates are projected at \$25.071 billion.

We continue to maintain our competitive taxation, with our tax per capita \$868 less than the average of all the other states and territories. General government own-source revenue for 2017-18 is forecast at 7.7 per cent of nominal GSP, with an average of 7.4 per cent forecast to 2021. It is through that tax advantage and other advantages, such as lower average house prices, better lifestyles, cost of living and well-resourced regional centres, that we have made a concerted effort to pick up on the population growth improvements we have seen.

You would have noted the Deloitte report that came out yesterday. This report reaffirms the assumptions we have made in our budget. It shows that we have had an improvement in population growth. It is now back at the national average, and we think we can do better than that. That is why we

are going interstate. I spent the week after the budget in regional Queensland and the following week I was in Sydney and Melbourne. I was very pleased to be in Sydney a week after the first State of Origin, where I met with two families who had decided to make the move to Queensland. I announced our campaign, called Move Up in the World. Very clearly, we need to show people why Queensland is the place to live. Now they can get lower state taxes, more affordable housing, good job projects and a better football team.

CHAIR: With reference to page 6 of Budget Paper No. 2, can the Treasurer advise of the likely impact on the budget of an alternative fiscal strategy without the debt reduction strategies of the Debt Action Plan?

Mr PITT: Yes, I can. We have heard in previous hearings—and we have already heard the first line of questioning from the opposition today—about a so-called raid on the public servants' superannuation fund. I may ask you to rule on that at some stage. It is a very emotive term that is really not applicable in this situation. You have heard the rigour that is applied to this by the State Actuary.

It will not stop the opposition misleading and causing concern for those public sector workers who are in the defined benefit scheme. As we have said all along, yes, there is a government guarantee there. Nobody's superannuation is in any way in jeopardy. Of course, it is our responsibility to meet our fiscal principles and to ensure we can maintain the very positive position we are in when compared to that of other states and territories. You only need to look at the projections for 2017-18 for other jurisdictions—New South Wales, Victoria, Western Australia, South Australia and Tasmania. All of them have unfunded liabilities. You will notice that one state is missing from that graph. It is Queensland. We have a fully funded scheme and we will continue to have that going forward. I seek leave to table that for the benefit of the committee.

CHAIR: Leave is granted.

Mr PITT: We know that this line of questioning today is picking up the line of questioning that we saw at the last estimates. Disappointingly, even with the reassurance that there were not going to be any further repatriations—nor were they recommended by the State Actuary—we are still getting this line of questioning. It seems that they just cannot let this go. We know that these initiatives have made a difference to Queensland's finances. They made a difference to some of the programs that we have announced, both in the last budget and in this budget. As a result of these repatriations we will be able to direct \$2 billion to job-creating infrastructure and \$2 billion to debt reduction. That is by repatriating a portion of the scheme's surplus. That is common sense to most people but not to all.

The contribution pause means a further \$2 billion for debt reduction. In every utterance on these two issues that we have heard from those opposite, you would have no doubt that they would stop both initiatives stone dead. They obviously do not believe in them. We have heard that now for two years. If they do not believe in these measures, one would have to question what they would do in their absence. Queenslanders need to know at an election what the opposition would do. Would they stick to the plan of repatriation or stop the contribution pause that we have done? I think they are very fair questions.

When you start looking at those things that were provided in last year's budget reply speech by the opposition leader and the opposition not liking the initiatives that we have put forward, you have to ask: what is their plan to fill what will be, essentially, a black hole that they will create? They need to find funding sources. If they are to be believed, they are not going to be selling income-generating assets. If they are to be believed, they are not going to be doing mass sackings like they did the last time they were in government. Based on their own logic, their only other alternative, which I have outlined clearly, is to massively raise taxes, fees and charges.

How would they pay for their intention for a \$2 billion North Queensland coal-fired power station, as it is pretty certain that no private developer has come forward? How would they pay for a \$2.5 billion redevelopment of the Roma Street precinct and the establishment of a new entertainment and sports arena? How would they pay for their promise of a new aquarium and museum of natural history at South Bank, worth \$1 billion?

Mr STEVENS: Point of order: it is quite clear in the directions from the Speaker in relation to matters to be discussed at the estimates that members answering questions should not utilise the time to jump on the soapbox and go on with a prepared speech on politicking and heading towards the next election. Could the member remain relevant, as per standing order 118 relating to the questions asked.

Mr PITT: I think it is a ruling for the chair.

Mr POWER: Point of order—

Mr STEVENS: I am still on my point of order: stay relevant under standing order 118 and keep the answer to the question.

CHAIR: I will deal with this.

Mr POWER: The question clearly asked for alternative fiscal strategies. The Treasurer was clearly in line in answering the question about alternative fiscal strategies.

Mr STEVENS: I am not asking the member for Logan for a ruling.

CHAIR: Let me deal with the point of order.

Mr STEVENS: Please do.

CHAIR: Treasurer, I remind you please to stay relevant to the question.

Mr PITT: I am responding to the question from the member for Logan, who asked for alternative fiscal strategies. We have just had a 20-minute block of questioning by the member for Indooroopilly about last year's repatriation, not this year's repatriation. I am posing questions to some of the matters that were raised by the Leader of the Opposition in his budget reply speech which relate directly to the Appropriation Bill—some of the key matters that we are examining here. I believe that I am very relevant. When we start looking at what this potential black hole looks like under an alternative fiscal strategy, which we have not seen any detail on, this could be anywhere between \$10 billion and \$12 billion.

Mr STEVENS: Point of order: to advise the Treasurer, quite clearly, the estimates process—

Mr PITT: I do not need your advice, member for Mermaid Beach.

Mr STEVENS: Quite clearly, the estimates process—

CHAIR: What is your point of order, Deputy Chair?

Mr STEVENS: Where in the 2017-18 budget papers that we are discussing is the opposition's platform?

Mr PITT: It is the alternative to the entire budget. It is completely relevant.

Mr STEVENS: It is not. We are discussing your budget today.

CHAIR: My understanding is that the question is relevant. It is about the budget and I ask the Treasurer to continue.

Mr PITT: Thank you, Mr Chair. I was ready to wrap up, until that latest interjection. We have a clear economic plan that has now been delivered across three budgets—a fiscal strategy that is working in terms of debt reduction, in terms of making sure that the business conditions and settings are right in Queensland, and in terms of seeing our net number of new jobs created in Queensland more than double what was achieved by the previous government. We have laid out our plan. We look forward to hearing from the opposition about its plan. This is particularly relevant to the question asked, because this relates to the fiscal strategy.

They have been very much at pains to tell everyone what is wrong with the government's strategy in their view. If they do not like what we have done, they need to put forward an alternative. If they are to be believed, we would see that they are not going to be going down the asset sales path. If you believe them, they are not going to be cutting services and jobs. Clearly, it must be a tax outcome—or something else. We look forward to hearing from them. I am saying that our plan has been laid out for all to see. I will defend this budget. I will defend the economic plan that we have rolled out over three budgets, because it is one that is supportive of both business and industry to get on with the job in Queensland and it supports vulnerable people in Queensland.

Mr POWER: With reference to page 4 of Budget Paper No. 3, will the Treasurer outline how the Palaszczuk government is making it easier for the private sector to come to government with new ideas for business investment?

Mr PITT: I thank the member for Logan for the question. I want to talk briefly about one of the areas where we have made, I think, a very positive impact over the past couple of years. That is in the space of market-led proposals. Again, we have heard all sorts of scaremongering by those opposite about this particular platform. It is a very positive direction that we are headed in, because it is not there to supplement the capital program. It is not there to replace it in any way. In fact, it is there to ensure we get that engagement and to make sure we have all of the necessary things in play to get good outcomes for people when they come to the government with good ideas.

This program is about unsolicited bids to the government. Rather than being a government that throws its hands up in the air and says, 'We don't know what to do with that,' we have created a formal framework that has yielded some results. We went this way because we wanted to provide as much certainty to people without guaranteeing any kind of outcome. These are unsolicited proposals and they have to be dealt with in a way that ensures that, if we were to go through and allow them to deal exclusively with the government without going through a usual procurement process, they satisfy the Auditor-General, very importantly—understanding that it is a fair process and that there is a unique offering in the marketplace. MLPs are suited to projects that are low cost and low risk to the state and that can be funded by the private sector, and that includes user-pays.

Where a good idea is not successful as an MLP it is important too that we do not just refuse it. We have in some cases done that, but we have also looked at 23 formal processes closed to date. Six are being considered for or progressing through a competitive process and four have been referred to existing government funding programs or other government support. I have certainly made a very large statement about the proposals that we have already approved, including the Logan Motorway enhancement project which I know the member is very well aware of being in your local area, a \$515 million investment by Transurban which is going to be improving logistics and, of course, importantly, commuters making their way in traffic.

I can announce today that we are going to be doing even more by making this process simpler for business by revising and updating the MLP guidelines to further streamline the processes and make it more accessible. This really has come about through the process we set out to do and that was to make a process that would be evolutionary. You do not stand still. You engage. You find out what is working and find out how we can improve that. After consulting with stakeholders, with industry and looking at the other jurisdictions such as New South Wales and Victoria who have been doing this longer than we have—mind you, we have actually got some very good outcomes in terms of the number we have approved and have progressed in our process when compared to other jurisdictions, but the key change we are putting forward is reducing the number of assessment criteria from nine to six, streamlining the process for both applicants and assessors and also the MLP panel will be involved much earlier in terms of consideration of proposals. This consideration by senior government executives will ensure that no good proposal gets missed or is left out. The guidelines have been updated to more clearly explain the criteria required. I think there has been some broad definition of 'unique' that some people have found difficult to grapple with, but we have tried to ensure that we have provided clarity through the MLP team within Queensland Treasury.

Since we have launched in July 2015 the MLP team in Queensland Treasury has had discussion with proponents across every industry resulting in 44 ideas submitted for stage 1 formal assessment. We have talked about the Logan Motorway enhancement project. We have another five proposals that are in detailed negotiations and they comprise almost \$260 million in potential capital investment and would potentially support an average of 400 jobs each year during construction. These projects are creating jobs for Queensland. This is in addition to our capital program and they have been brought to our attention via enterprising businesses who have actually knocked on our door. They have wanted to come and engage with government because we have said our door is always open. We believe that this MLP framework is still in its infancy, but in the long run it will be a very good outcome for Queensland and we hope that we are going to be able to continue the outcomes because when I see things like a Brisbane cruise liner terminal, which if that gets to final investment, that will have a great flow-on effect not only for Brisbane but right up the coast of Queensland in terms of supporting cruise shipping and other tourism ventures right across the state.

CHAIR: If I could go to the member for Indooroopilly.

Mr EMERSON: I will continue questioning along the lines of the raid by the state government into super.

CHAIR: I remind the member for Indooroopilly that standing order 234 provides that all imputations of improper motives on members are deemed highly disorderly and I ask you to withdraw the use of the word 'raid'.

Mr EMERSON: Thank you, Mr Chair. I withdraw using the word 'raid'. I will now, with your permission, table an email from the chief of staff.

CHAIR: Member for Indooroopilly, do you seek to table it?

Mr EMERSON: I seek leave to table it.

CHAIR: Leave is granted.

Mr EMERSON: Given your most recent ruling, I refer to this email that I have just tabled from Jason Humphreys, who is at the table there, the chief of staff to the Treasurer, to the Treasurer. It says—

Hi.

QSuper will be putting the report up on their website on 4 May. I will also forward a copy of the report.

PPQ attached. Obvious questions will be raised re raiding the scheme, etc.

...

Jason.

Can I make the point here that the use of the words 'raiding the scheme'—'raid'—is used by the chief of staff of the Treasurer himself.

Mr PITT: Can I please intervene at this point and say that the only reason this word is being used anywhere is because the questions the chief of staff is referring to would most likely come from the member for Indooroopilly who is the only person who seems consistently wanting to use the phrasing. Maybe he is being a bit touchy about the use of this himself. I am not sure.

CHAIR: Can we move on.

Mr PITT: I would be happy to.

Mr EMERSON: Thank you, Mr Chair. Again, just to clarify, this is what Jason Humphreys, the chief of staff to the Treasurer, says in his email about a report. He does not use any other language. He refers to 'raiding the scheme', questions about 'raiding the scheme'.

Mr PITT: Mr Chair, the member for Indooroopilly is trying to ascertain what my chief of staff meant in one line in a very short email. I ask you to rule. Is this the business of Queensland that people are interested in? I thought we were here to discuss the budget, to discuss job creating opportunities for Queenslanders.

CHAIR: Can I ask you to move on to your next question.

Mr EMERSON: Mr Chair, I think it is important that if someone in the Treasurer's own office—

Mr PITT: Mr Chair—

Mr EMERSON: Excuse me, Mr Chair, can I finish my question?

Mr POWER: Point of order.

Mr EMERSON: Mr Chair, let me make the point here—

CHAIR: Excuse me, can we allow the member for Indooroopilly to respond to my point of order, please.

Mr EMERSON: Thank you, Mr Chair. It is very clear. We have in this case the chief of staff to the Treasurer of the state referring himself to raiding the public servants' superannuation scheme in his own email. He uses the language, 'raiding the scheme'. It surely is of interest to Queenslanders out there that if the right hand man to the Treasurer himself is saying 'raiding the scheme' that is important to Queenslanders.

Mr POWER: Point of order.

CHAIR: There is no point of order. Can we move on.

Mr POWER: The point of order is that the member for Indooroopilly is skating remarkably close to misleading the House. He knows the context of the email is clearly indicating the silly suppositions that the opposition will be putting forward.

CHAIR: There is no point of order. Can you ask the next question.

Mr PITT: Can I offer one last comment and that is that the correct term is repatriation or similar word if the member is looking for another word to substitute given your earlier ruling.

CHAIR: Can I ask the member for Indooroopilly to ask the next question, please.

Mr EMERSON: I will continue to question not on the email but I will use the language of the chief of staff, raiding the scheme.

CHAIR: I have already made a ruling on that.

Mr EMERSON: Can you clarify what your ruling is about referring to an email and the wording used by the chief of staff of the Treasurer?

CHAIR: My understanding is that this is something that is not within the Treasurer's knowledge.

Mr EMERSON: Mr Chair, I have just tabled the email. He has a copy there. I will give him ample opportunity to read the email if he requires.

CHAIR: Member for Indooroopilly, I find it difficult to understand how the Treasurer would know why his chief of staff may have used the terminology that is in the email.

Mr PITT: Like the member for Indooroopilly I can only guess, but I would assume it was because he was pre-empting questions from the opposition which have been consistently using the phrasing. I think what he is trying to do is to ensure that that was the so-called line of attack that would be expected by the LNP. I ask is there a question coming or are we going to continue talking about terminology?

Mr EMERSON: My question to the Treasurer is he did not say repatriation he used the words 'raiding the scheme'.

CHAIR: Is there a question?

Mr EMERSON: A moment ago you said the Treasurer would not be aware why he did it. Can I say that the chief of staff did send the email to the Treasurer. I don't know, did he send it to a private email account or something so he did not know about it? He is his chief of staff.

Mr PITT: Has the member for Indooroopilly done any work in preparation for this hearing because at the moment we are talking about an email.

CHAIR: Is there a question, member for Indooroopilly?

Mr EMERSON: The question is to the Treasurer: given members of his own staff are referring to it as a raid of the public servants' superannuation—

Mr POWER: They are not. They are clearly not. You are misleading.

Mr EMERSON: I will begin that question again. Given that the Treasurer's own chief of staff, members of his own office, are referring to this as a raid of the public servants' superannuation, doesn't this show that it was a raid, it was not repatriation? This was a raid unprecedented in Queensland history.

Mr PITT: I am happy to answer the question. Members of the Queensland public would be quite rightly very disappointed that this is the best the apparent alternate Treasurer in this state has to offer. It is quite concerning.

Mrs MILLER interjected.

Mr PITT: Thank you, member for Bundamba. We canvassed these matters very widely last estimates. I am happy, if the member wishes, to talk about this throughout the entire hearing if he wishes to waste the committee's time. I would say that the member is here as a guest of the committee at the pleasure of the chair and the committee and I am hoping that he is going to be offering up some questions where we can actually delve into some policy. Just to provide some additional information to the member for Indooroopilly, something we have been made aware of, you will remember the five per cent average return which had been outlined as the long run average return for the scheme, that was canvassed very widely last year. We can say that the latest information from QIC showed that the scheme experienced a return of total assets of 8.57 per cent in 2016-17. Yes, one swallow does not make a summer, but what it shows is that you will have years where it is performing higher than the long run average and potentially performing lower. What that says it was a very strong year in 2016-17 and hopefully goes some way to reassuring the members of the QSuper defined benefit scheme that they are not in any danger, not only because of the government guarantee but because of the actions our government has taken. I really ask the member if he has a question of substance here otherwise I am prepared to move on.

Mr EMERSON: I call the State Actuary to the table again. Thank you Mr Cannon. I seek leave to table a transcript of an audio obtained through Right to Information.

CHAIR: Leave is granted.

Mr EMERSON: As I said, this is a transcript of an interview conducted with the Treasurer at a press conference on 5 May 2017. The journalist asks.

... there's a one in three chance of falling below that VBI figure that you need to have is that the 120 per cent?

The Treasurer said—

Yes. Yes. So, it's still 100 per cent fully funded is the commitment and 120 per cent is the buffer.

Again later the journalist says—

So just to be clear it's a one in three chance it will go below 120 per cent?

The Treasurer said—

Yes.

Mr Cannon, is that correct?

Mr PITT: I can answer that. It is not correct—

Mr EMERSON: My question is to Mr Cannon.

CHAIR: Allow the Treasurer to answer.

Mr EMERSON: I was not asking the Treasurer; I was asking Mr Cannon.

Mr PITT: He was not asking me, but I want to clarify something. It is not correct. What Mr Emerson has done is present some information. There was a later clarification provided to the journalist. I am happy for him to continue with his line of questioning, but it is important to know that he is only presenting a portion of the information. As is the case when information is found to be incorrect, we corrected it immediately, as is the manner in which you do things in the parliament as well.

Mr EMERSON: Thank you, Treasurer. Mr Cannon, can I clarify with you: the information that the Treasurer gave at that press conference was not correct?

Mr Cannon: The statement about a one-in-three chance of going below 120 per cent? Is that what you are referring to?

Mr EMERSON: That is correct.

Mr Cannon: That is not correct.

Mr EMERSON: What is the correct figure?

Mr Cannon: It is a one-in-three chance of going below 100 per cent.

Mr EMERSON: Not 120 per cent, but 100 per cent?

Mr Cannon: That is correct.

Mr EMERSON: How significant is the difference between going below 120 per cent compared to going below 100 per cent? Is that a significant difference?

Mr Cannon: I am not sure how to answer that question. The 100 per cent is the benchmark within the APRA funding and solvency framework. We make reference to that benchmark level. The 120 per cent is what I have deemed or what I have called my target buffer, if you like. It is the target surplus buffer above which, when the funding position is projected to remain above that level, would raise the possibility or at least the consideration of further repatriation. That is the intent of the 120. As far as the funding and solvency standards are concerned, it is the 100 per cent that is the relevant one.

Mr EMERSON: Treasurer, I accept what you have just said, that you had to correct the record later. Treasurer, why did you get it wrong? Were you unaware of the right figure at the time?

Mr PITT: Member for Indooroopilly, I am sure there have been occasions when you have given a statement, even in the House, or made a statement at a press conference and later you have thought, 'That wasn't correct and I had better make sure that I correct it.' The fact that I have recognised and acknowledged and picked up on that very quickly shows that it was obviously a slip. I was looking at what is a very complicated report. Believe me, I know the difference between 120 per cent and 100 per cent. I know that there are no members of the Queensland QSuper defined benefit scheme who have any concerns or should have any concerns about whether the level is above or below the level. That is a fiscal principle. It is a metric that we are dealing with. It in no way impacts on the members and their benefits and whether they receive them.

If your concern is whether I got a percentage figure correct, I can point to another 99 per cent of the occasions where I will get all of those figures right. I have very clearly explained to you what that was. It has been corrected. It was accepted by the journalist, because it is a very complicated report. I am sure that, having read that—I am assuming that you have—you would agree.

Mr EMERSON: When did you correct that?

Mr PITT: The same day that the interview occurred, as I recall, so not too long after it.

Mr EMERSON: Mr Cannon, in terms of that one-in-three chance below 100 per cent now, if it did fall below that level, what would be the consequence? What would have to be done?

Mr Cannon: The framework given to me by the government is to follow the spirit of the APRA funding and solvency framework. The way that works is that the trustees of a fund, or in this case the government managing the assets that it holds in order to meet its guarantee, monitor that position. There is a shortfall position, which I have mentioned in the report. If the vested benefits index—that is, the ratio of the assets to the vested benefits of the scheme, the vested benefits being those benefits payable if everybody voluntarily leaves on the calculation day—falls below that shortfall limit, then some sort of restoration plan is required. The APRA standards require the solvency position—or the financial position, I should say, to be clear—to be restored within a reasonable period no longer than three years. In practice, that is what would happen.

Mr EMERSON: The fund would have to be topped up?

Mr Cannon: Indeed. That is what the framework says, so that is exactly what I would advise within that framework.

Mr EMERSON: Basically, the government will have to dip in some more money from across the Consolidated Fund into that fund; is that correct?

Mr Cannon: In the event that it falls below the shortfall limit, that is exactly what the framework says and that is what I would be recommending.

Mr EMERSON: Has it ever fallen below that?

Mr Cannon: That is a difficult question to answer off the top of my head. There is a chance it would have during the financial crisis, I suspect, but I am afraid I cannot tell you with certainty. I do not have all those numbers in my head.

Mr EMERSON: But a one-in-three chance is a pretty high chance.

Mr PITT: It is about a 33.3333 per cent chance, actually.

Mr EMERSON: Well done, Treasurer. That is a pretty good chance: one in three.

Mr Cannon: It is important to make the following point: whether one in three is a high chance or a low chance is a point of debate. I do not think there is an objective truth to that. Whether the surplus is \$2 billion or \$6 billion—or 9, 10 or 50—there is still a probability that the fund can move into deficit.

Mr EMERSON: Or potentially in deficit, on an accounting basis.

Mr Cannon: On those sorts of levels, there is always a chance that it can move into deficit. It is not as if any particular funding measure has suddenly created the possibility of some future deficit. That always existed.

Mr EMERSON: I assume you would have to agree, then, that if you take \$4 billion out of the fund the chance of it going into deficit increases?

Mr Cannon: It is greater than if it had not happened? Of course. Absolutely, I agree with that assertion. As we discussed last year, the optimal use of the government's balance sheet—and you have to take into account all of the circumstances of the balance sheet and not just the defined benefit superannuation scheme—is a matter for the government. I act within the framework that they give me and advise within that. I will yield to the Treasurer to make further comment on that if he wishes.

Mr EMERSON: In terms of that, you said one in three?

Mr Cannon: Yes.

Mr EMERSON: What do you think the odds would have been if the \$4 billion had not been raided?

Mr Cannon: You are asking another very difficult question. I may be able to refer to some of the detail in my report and come back to you.

Mr EMERSON: You will take that on notice?

CHAIR: Excuse me, but it is a hypothetical question. I rule it out of order. Move on to the next question.

Mr EMERSON: In terms of the one-in-three chance of doing that, you say it has stayed stable at this stage. I think you said earlier that you do not think it has moved.

Mr Cannon: Yes, relative to where we were last year, at 15. Yes, that is what I am saying.

Mr EMERSON: A moment ago I heard the Treasurer talk up returns based on that. Why has it not improved but only stayed at the same level of a one-in-three risk, despite what the Treasurer claimed earlier?

Mr Cannon: The risk statistic that we are talking about there is a part of a distribution of outcomes that is affected by a great number of variables, not just the return in a single year. It is also about prospective return expectations, as well as movements in discount rates and in the way the scheme membership has moved. There are so many moving parts to that that we cannot talk about any particular individual one and say that that is affected in a certain way.

Mr EMERSON: In terms of your expectation of returns, which you have just mentioned, what is your expectation moving forward?

Mr Cannon: The current position, if you like, is as presented in that 2016 review, which is a net investment return of five per cent per annum. I think the Treasurer may have mentioned earlier that that is the long-run expectation. As you are aware, we are doing this every year. In fact, we are part way through our 2017 review. We are working on that at the moment, but I do not have the corresponding numbers yet available. Our current position still stands, at the 2016 review, five per cent return going forward on average.

CHAIR: That is time. Before I hand over to government members, I have a procedural matter to deal with. Can any members who seek to table a document please ensure that the document they are tabling is an exact copy. Please ensure that the documents come through the committee secretary before they are handed out. I hand over to the member for Bundamba, who I understand has some questions.

Mrs MILLER: Treasurer, I must say that no-one in my electorate has ever asked me questions about the State Actuary but they do ask questions about electricity prices, because they are genuinely worried about the price of power. They are getting more confused, because you have the Prime Minister buying in on it as well as every other person. It is a bit like a dog's breakfast out there: no-one knows who is responsible for what. In simple terms, Treasurer, could you let me know what has been done by the government to try to lower electricity prices for ordinary families in Queensland?

Mr PITT: That is a good question. This is something that is mentioned to me all the time. I am with you on that: it is an ever-increasing concern for people, whether they are householders, small business or even large industry—and I meet with many people who have large operations. We saw a line drawn in the sand at the 2015 state election. The first thing we have done to ensure we can have a controlling interest, if you like, to play a part in lowering electricity prices or put downward pressure on them is ensure we have public ownership of our electricity generators' networking, transmission and retail, which we have done.

In the most recent QCA determination, they will set the expected electricity price for Queensland. You will see that they were suggesting that the price rise would be much higher than what they said at a draft stage. They said that the typical rise for a small business, for example, was going to be 8.2 per cent and it was going to be a 7.1 per cent rise for a typical household. We said that if we are going to own our assets we want to ensure they return to the state and, of course, can make a difference. With the control that we have over those enterprises and with the budget in good shape, I mentioned earlier that the expected surplus for 2016-17 would be \$2.8 billion, which is the biggest in a decade. That surplus would have been about three-quarters of a billion dollars higher than we presented. The reason it is not is that we have reinvested dividends from the 2016-17 year to ensure that, through an offsetting of the solar bonus impact on bills, which is a long-run arrangement, for the next three years that impact is not there. We have reduced the overall impact for a small business from 8.2 per cent. That has been halved, to 4.1 per cent. When it comes to the price rise for a typical household, we have more than halved that, to 3.3 per cent.

Yes, prices are still going up. Does that satisfy people? No, it does not. Everyone would like to see no rise or they would like to see a reduction. That is what we are working on. That is part of the bigger debate that we have to have. We know that the price rises in other jurisdictions that do not have government ownership of their electricity businesses, whether they be the gencos or transmission through network or at the retail end, have been enormous. We have had a rise based on 1 July prices for 2017 across the rest of the country excepting Victoria, which was a 1 January rise. I have talked about the residential impact. The residential impact in the most recent round of rises in other states and territories is: Victoria, 9.6 per cent; South Australia, 19.9 per cent; Western Australia, 10.9 per cent; the ACT, 19 per cent; and New South Wales, 11.5 per cent. You will get where I am going with this.

We have seen a lower price rise in Queensland. The 3.3 per cent rise in the most recent determination means that over our time in government we have had a yearly rise of 1.9 per cent on average. That is a dramatic and stark contrast to the previous term of government, where we saw electricity prices for typical households rise by 43 per cent. It does not mean that we have the answer to everything, but we have announced our Powering Queensland Plan. That plan is a \$1.18 billion investment, including the \$771 million I have talked about. That has made a big shake-up in the marketplace, as has the direction we issued to Stanwell Corporation to have regard for peak power usage to ensure there is regard for community and business. That has sent an enormous shockwave through the futures market for wholesale electricity prices, so much so that we have seen, as at the most recent information, a 19 per cent reduction in the futures market when it comes to wholesale electricity prices.

The only reason we could do that is because we could direct a government owned generation company to have regard for those things. It is because we have government ownership. That sets Queensland up to be unique. We are very well set up because we have great generation capacity. We were criticised for gold plating the network and all those things.

We have reliability of supply as a result. We of course have great natural resources which allow us to have the gas we need. We are doing the most work in terms of domestic reservation of any jurisdiction in Australia. It means that we can have that as a transition fuel to get us to the renewable target we have set—that is, to have 50 per cent renewables penetration by 2030.

This is a big debate. It is going to be one of the most important debates we have. What we need is a partnership with the federal government. That means a really mature debate around having a coherent energy and renewables policy. Queensland could and should be the powerhouse of the nation. What we want to do is look after Queensland's interests first. We want to put Queenslanders first, but we want to be an important part of a national interest.

All of these measures are real measures that we have enacted. We can do more. If we actually have that debate and have a mature conversation we as a nation can really benefit. In answer to your question, that will flow through to mums and dads and to the small businesses that we rely on and we are going to be able to get better outcomes. We have a lot of work to do. The retention of government ownership of businesses has made an enormous difference. Without that the profits would all be going to shareholders and even offshore.

Mrs MILLER: Basically what you are saying is that you have been able to keep the increases in electricity costs fairly stable because the government owned corporations have been kept in government hands? What would have happened if they were flogged off?

Mr PITT: That is a bit of a hypothetical question. I can say with absolute certainty that the situation in New South Wales is that they have private ownership of generation companies and electricity assets.

Earlier in our term of government—and I forget to mention this—we had a request from Ergon and Energex to appeal against the AER's decision in terms of how much they are able to recoup to support their capital program through electricity pricing. We stopped an appeal being made to the AER. It could potentially have cost the government between \$1 billion and \$2 billion. We did that to actually have the net outcome of essentially freezing the electricity price at that time.

This is not a hypothetical. The New South Wales companies won their appeal. That means in New South Wales they are going to be able to charge like wounded bulls when it comes to these things. They are not alone. We are going to see this in other jurisdictions. For all of the posturing we hear about some kind of conspiracy theory about price manipulation and price gouging by our government owned businesses—which I refute because there is absolutely no evidence that I have seen to say that that is the case—I can say that those proceeds come back to the government and, as you have seen, we are able to reinvest them and help put downward pressure on electricity prices. Those are the reasons we fought so hard to keep these businesses in public ownership. The right government can make a big difference.

CHAIR: I refer to the record net operating surplus of \$2.8 billion in 2016-17 detailed on page 7 of Budget Paper No. 2 and the surpluses achieved in the previous two budgets. Can you advise the committee how this was achieved without selling government assets or raising or introducing new taxes on Queenslanders?

Mr PITT: It is certainly a product of the responsible fiscal management that we have brought since coming to government. We have this as the highest net operating surplus in over a decade. It would be remiss of me not to say that we have also seen a bounce back in terms of commodity prices.

That has assisted with the surplus that we have been able to achieve. However, as I said in my introductory remarks, we had already been forecasting surpluses before the spike in coal prices. We were very satisfied that we were able to deliver surpluses across the forward estimates, as forecast in this most recent budget.

This \$2.824 billion surplus is the highest surplus in a decade. It is \$798 million higher than the figure estimated at the time of the midyear fiscal and economic review that I handed down in December and almost \$2 billion greater than we forecast in the 2016-17 budget. This budget has not been achieved by accident. It is about the fiscal discipline that we have employed. As I have said on numerous occasions, we have not just tried to be tight fiscal managers; we have tried to ensure that we have the balance right between being good and responsible financial managers and also driving the economy. That has been the big difference. That has been the difference that our government has brought to Queensland since coming to office.

We do, of course, have surplus projections for 2017-18 onwards and they are based on realistic estimates of expenditure and realistic revenue assumptions. We have factored in downward revisions when it comes to GST across the forward estimates. We always look at the May budget from the Commonwealth to see what their forecasts are for GST. I think it is safe to say that we are always more conservative because it is pretty difficult to really predict what the pool size is going to be and the flow-on. The consensus forecasts talk about coal prices returning to the medium-term outlook, which is coming back to a lower base.

What I am most proud of through this process is that in each and every budget we have provided record budgets for health and education—things that matter to people. We have made sure that we have done that. It has been a priority for our government. That is what budgets are about. They are about priorities.

We have lowered government debt in the general government sector by more than \$14 billion compared to the projections in the last budget under the previous treasurer. We have invested in a massive capital works program. This budget is at \$42.75 billion. We have been able to do things like put a big up-front payment in the last budget and guarantee the full funding of the Cross River Rail project this budget, which is going to be a very big project, not just in terms of its transport infrastructure and traffic-busting initiatives but bring additional investment across the city.

In this budget we have funded the \$1.8 billion Housing Strategy. It is going to make a material difference to many vulnerable Queenslanders. These things that I mention—and there are many more—are things that we were told we could not achieve unless we sold our assets, unless we continued to massively reduce the size of the public sector workforce and reduce services or massively raise taxes, fees and charges. That was the mantra of the previous treasurer and the only choice that we had according to the member for Clayfield.

We have achieved these things without doing any of those things. In fact, we have grown the economy. We have provided the essential services that people are looking for. In that regard, it has been a fairly simple formula. I have talked about this in the previous two estimates hearings. It has been an exercise in ensuring that we look at all of our assets, including our financial assets, and make them work harder for us and make sure that the balance sheet is modernised to ensure we are setting the state up for not just the next three years but the next three decades.

Mr POWER: As you probably know Treasurer, the electorate of Logan was hit hard by Cyclone Debbie and its businesses and farms affected. With reference to Budget Paper No. 2 at page 2, can you outline for the committee the impact that severe Tropical Cyclone Debbie had on the budget and how the Palaszczuk government has an economic plan to get the state back on track?

Mr PITT: I did touch on this earlier when we talked about the economic impact of at least \$2 billion from Cyclone Debbie. That is spread over a couple of years. It is the same thing when it comes to the fiscal impact of \$1.1 billion. Not all of that impact is incurred in the 2016-17 year. It will be spread over a number of years. There will be a significant impact in 2017-18. We always have to provide up-front funding when it comes to natural disasters. We work very closely with local governments to deliver the sorts of immediate works that are required. At a later stage we try to get that reimbursed by the federal government under NDRRA.

We have committed \$110 million as part of our share, particularly when it comes to category D under NDRRA. This really was an effort to try to get ahead of the curve a bit to ensure that we did not need to go through long and arduous processes. We have had many visits from local federal MPs

through Central and North Queensland. The Prime Minister has come through. We believed, besides a little bit of argy-bargy that we experienced with the Deputy Prime Minister, that we were on track to get through this.

What we are talking about here is \$29.3 million that has been offered by the Turnbull government under NDRRA. That is 0.006 per cent of the total federal budget. It was a very small ask and one that would make a significance difference to those communities and give them the confidence to get back on their feet. I think it is unconscionable that it took two months to deliver what is a poor outcome anyhow.

The timing of revenue from the Commonwealth is of their choosing—not just for category D but the overall reimbursement. That is obviously a concern because it suits their budget not ours. We will continue to try to find better ways of dealing with that. Until that time we have to carry the overall cost, which we will try to get reimbursed. We will try to make what we can out of the \$110 million that we have already put on the table.

I am happy that some of the tourism operators in the Whitsundays are back on their feet more quickly than they thought. Some of those involved in the coal industry are also back on their feet more quickly than they thought. We managed to get rail infrastructure and port infrastructure repaired in a much quicker time frame than probably anyone had anticipated. There was a lot of good work done there. People on the ground are still concerned.

The silver lining that I see, and you have to look for a silver lining—and I refer to the member for Indooroopilly's earlier comments about a one-third chance of something not happening, but I say there is a two-thirds chance that it will go the other way; I am a glass half full or two-thirds full kind of guy—is that we will see a lot of immediate repair works happening at the local government level. This will happen through some of our other programs where we are providing assistance such as Works for Queensland. You are also going to see the insurance repair work getting done.

That means that a lot of people will get their houses fixed up. A lot of local tradespeople will get that work. They have all been registering on the QBCC website to ensure they have every chance to get that work. There may actually be an uplift in terms of economic activity through the cyclone affected areas and the flood affected areas. It is not going to be the fix for everything, but clearly it might provide some stimulus for tradies, even for the ones from out of town coming in. Hopefully the hotels will be full and they have to stay a number of weeks.

I wanted to seek leave to table the information I was referring to in an earlier question about electricity pricing and the comparison with other jurisdictions. Can I seek leave to do that?

CHAIR: Leave is granted.

Mr EMERSON: Treasurer, were you ever contacted or approached by Peter Simpson or the Electrical Trades Union about the merger of Energy Super and Equip Super?

Mr PITT: On that matter, no. I have had some very broad conversations. As the member for Indooroopilly will appreciate, that is a matter that I have no influence over. Therefore, I do not think there is any relevance to trying to have those conversation. I was very focused on what was happening with the super choice when it came to QSuper to ensure that members within the public sector had further choice in terms of their options.

Mr EMERSON: To your knowledge was anyone in your office ever contacted about the proposed merger?

Mr PITT: Not to my knowledge, no. That is not to say that they had not been. Whether somebody is a representative of a trade union or a stakeholder group I think it is appropriate to make approaches, lobby and argue for what they believe is the right outcome. That does not guarantee any outcome and particularly when you do not have any influence over what that outcome would be. I am not aware that there have been any particular interactions with my office, no.

Mr EMERSON: Has energy minister, Mark Bailey, ever brought up the merger with you?

Mr PITT: I would have to check if I have any official notes on that, but it is not something that I have any influence over. I am not involved in any of their governance processes. That is really a matter for those concerned.

Mr EMERSON: Under Treasurer, did your office have any discussions with anyone about this particular merger?

Mr Murphy: This is the merger of—

Mr EMERSON: Energy Super and Equip Super.

Mr Murphy: No, I am not aware of any.

Mr EMERSON: Have you ever been contacted by the Treasurer or a member of the Treasurer's ministerial office through a private email account?

Mr Murphy: I do not think so. No, I do not think so, but I am not great on what is a private account and what is not.

Mr EMERSON: One that comes from a ministerial account and one that does not would be the clearest definition, I suspect.

Mr Murphy: I do not get contacted a lot by email. I am usually contacted face to face by the Treasurer and his staff.

Mr EMERSON: Just to clarify, you are not sure or you never have been contacted by the Treasurer or a member of the Treasurer's ministerial office from a private email account?

Mr Murphy: I do not recollect being contacted. I would have to go back and check everything, but I do not recollect being contacted by anyone other than from a ministerial email address.

Mr EMERSON: Can you do that, please?

Mr Murphy: Yes.

Mr EMERSON: Can you take that as a question on notice?

Mr PITT: I am happy for the Under Treasurer to take that on notice.

Mr EMERSON: Treasurer, with reference to Budget Paper No. 2 and table 8.1 on page 145, that table identifies the changes in forecast savings to do with the merger of the distribution companies. Last year at estimates Treasury was able to provide numbers disaggregating both the merger and the efficiency savings. Would you be able to get those disaggregated numbers again, reflecting the new figures in table 8.1? You were able to do it last year for us.

Mr PITT: I am happy to do that for you. I do not see any problems with that. I will briefly respond, though. With the Energy Queensland merger we formed the biggest energy company in Australia—\$24 billion worth of assets. I take the opportunity to say that there have been previous questions in the House, as well as at previous estimates, which looked at the overall size of the workforce. Can I maybe get ahead of the member for a moment and say that the answer is still the same. There are no changes to workforce in terms of forced redundancies that are in any way related to the merger itself. Of course, there is ongoing business with Energy Queensland, with the two groups—Ergon and Energex—being brought together. It will also depend on what is happening with their capital program, which contractors they bring on at certain times and when they go off. It also relates to some of the things that we talked about earlier. It is an ongoing piece of work.

We are very confident of still reaching the targets that we set ourselves in terms of the savings and efficiencies with the merge of those two businesses. To date it has been a very successful exercise. In fact, we have heard anecdotally some very good feedback by members of the former Ergon and former Energex workforce. Even though they are still badged, they are finding a lot of cross-training opportunities and also portability for people working in those enterprises. To date it has been a very successful outcome. I am hoping you would agree with this: if you are able to achieve a more efficient government owned enterprise which has to have a commercial focus but still have regard for providing good community outcomes, it is a win-win.

Mr EMERSON: In terms of equity movements of the GOCs detailed in table 8.10 in Budget Paper No. 2 on page 159, can the Treasurer advise how much equity has been taken from the electricity network businesses as a result of the regearing exercise to date?

Mr PITT: I will have to get some advice on that just to make sure that I am giving you an accurate response. I will ask the Deputy Under Treasurer, Dennis Molloy, to provide a response.

Mr Molloy: We would have to come back on those, Treasurer.

Mr PITT: I am happy for that to be taken on notice.

Mr EMERSON: Treasurer, you mentioned earlier about electricity generators and you said that you do not believe that the generators are gouging profits. What, then, is your response to Rod Sims from the ACCC who has obviously decided to examine that issue in terms of those concerns about the gouging of profits?

Mr PITT: I think the response from Mr Sims and the ACCC is an appropriate response because allegations have been made. As a statutory officer, he has a responsibility to investigate those matters. I think the investigation itself is appropriate. We have seen investigations undertaken by the AER which found that there were no concerns. I imagine that will be the same outcome with the ACCC or any future AER review as well.

I have seen some public commentary in a letter by Josh Frydenberg which talked to the issue that you are referring to. It is somewhat concerning. It appears that there seems to be a different set of standards applied to government owned generation companies and their apparent impact on wholesale electricity prices than the private operators. They are all operating under the same National Electricity Market rules. I do not agree that the rules are contemporary; they were written some time ago. They were written before we had the enhanced technology that we have, particularly with renewables and the overall cost of those coming down in their integration with the network. All of those things have changed substantially. We have also had things like Hazelwood going offline and other states moving away from domestic gas, both conventional and unconventional. A range of things have changed in the overall energy mix.

I would say that it is irresponsible to be concerned about the rules—they apply to both government owned gencos and private businesses—with the suggestion that because they are publicly owned they should be held to a different set of standards. I hope that the investigation is one that looks at the National Electricity Market rules. If they are complying with the NEM, as we believe they are—I say again that the difference here is that they may through extreme periods of heat see a spike which might see additional revenues come in. I have already demonstrated, not only in my address today and in my response to questions but also in my actions, that I and the shareholding minister, Mark Bailey, believe that we should be giving back and making a difference when it comes to electricity pricing, and that is what we have done.

I am not suggesting that they are going outside the rules. I believe that they are playing within the rules and conducting themselves appropriately in acting commercially. If there are additional revenues, we want to put those revenues to work. Whether it is something that we can put back into the Consolidated Fund to support the services and infrastructure that we are required to deliver as a state government or whether it is something that we can put directly back to support lower electricity prices, we will be making sure that we are utilising those proceeds accordingly.

Mr EMERSON: You do not believe that there is any connection at all between claims of gouging and the massive increase in dividends being taken from the generators?

Mr PITT: No. I have just said to you that they are conducting themselves in accordance with the NEM. They are commercial enterprises. They are government owned corporations. They are operating within those rules. I have already said today that we have issued a direction to Stanwell to have regard for some of the matters which may see reduced dividends, but it also has that effect on wholesale electricity pricing on the futures market. You cannot get a 19 per cent reduction without saying that it has made some difference. Are we as a government having regard for the position that we hold in the National Electricity Market? Absolutely. If those businesses were not operating in that way and they were not being effective and efficient, people would say, 'Why are they businesses that have been retained by the government if they are not performing?'

My other point would be that they clearly are very strong-performing businesses, like all the government owned enterprises that we have. That is why there was such strong demand for them when they were floated for sale under the previous government. We were wise to keep them in public hands. That has been demonstrated particularly in the electricity space, where we have been making material differences to electricity outcomes for consumers, whether they be householders or small business.

Mr EMERSON: The dividends have gone up remarkably high compared to your previous projections of what they would be. How much higher are the dividends now from what you were projecting previously?

Mr PITT: I will have to get some advice on that. I am happy to get someone to provide me with that figure.

Mr EMERSON: On some of the calculations I have done, in 2016-17 dividends from generators were up 75 per cent from the estimated actual. In 2017-18, dividends are up almost 80 per cent on previous projections. They are massive increases.

Mr PITT: It is important to say that we are an exporter of electricity. That has become an increasingly important part of the overall national energy framework because of what we have seen in Victoria, South Australia and even to a lesser degree New South Wales. When we had the massive

heatwave that we experienced in Queensland, and of course that flowed through, we were exporting an enormous amount of power, but that was going to interstate customers. As you can appreciate, that means that our revenue will go up. It is not accurate to suggest that increase in revenues for Stanwell or for any of our gencos is only revenue that is garnered from Queensland. It is also from the exporting that we do interstate.

Mr EMERSON: Treasurer, I refer to the \$770 million fund to cap price increases to 3.1 per cent.

Mr PITT: It is 3.3 per cent.

Mr EMERSON: Sorry, 3.3 per cent. Isn't that really just part of a money merry-go-round? You are capping price increases with that fund but the funds are coming from taxpayers across the state.

Mr PITT: I do not think people who will not be experiencing a 7.1 per cent rise will agree with you. It is a much lower price rise, which means that it will make a difference in terms of their future energy bills, so I do not think that is the case. It certainly is not a money merry-go-round. It would have been a one-way-traffic flow of dollars if the businesses were not in public hands. They would still operate under the same rules. They would still be able to achieve the similar revenues that they have been achieving, but there would be no money merry-go-round; the money would not come back. That was the proposal under the former government. We believe that we are in a very fortuitous position to be able to reinvest that money to support people who require some stabilisation of electricity prices after seeing over the previous three years a 43 per cent price rise.

Mr EMERSON: Mr Murphy, I refer to media reports in relation to the Works for Queensland program. When the opposition queried the change in the job creation targets from 600 to 6,000, the Premier's office told ABC News, 'That figure that I had mentioned—that my calculation was wrong,' but later they said to the ABC, 'A government spokeswoman later confirmed that the 600 number was provided by Treasury—and they got it wrong.' I refer to ABC News on 21 February 2017. Did Treasury get it wrong?

Mr Murphy: My understanding is that that figure was provided by local government to the department of infrastructure and that it was not a Treasury figure.

Mr EMERSON: Just to clarify for me, please, Mr Murphy: the figure that we are referring to is 600, which was the figure the spokeswoman was saying was wrong—a Treasury figure and Treasury got it wrong.

Mr Murphy: We provided the number of 600 to local government. Local government boosted that up to 6,000. That is where the 6,000 number comes from.

Mr EMERSON: Just to clarify for me, Mr Murphy, if you could please: was the 600 figure wrong?

Mr Murphy: No. We stand by the 600 figure.

Mr EMERSON: I again quote, 'A government spokeswoman later confirmed that the 600 number was provided by Treasury—and they got it wrong.'

Mr Molloy: Mr Emerson, if I could respond—

Mr EMERSON: I would prefer to have Mr Murphy respond to that, if he could, please.

Mr Murphy: Okay. Well, just give us a minute.

Mr EMERSON: Sorry, Mr Murphy.

Mr PITT: I am able to ask that a question also be directed to an appropriate officer who could provide you—if the intention is to actually achieve the answer, I think Mr Molloy is in a position to answer that.

Mr EMERSON: Just to clarify, Mr Murphy does not know the answer?

Mr PITT: No, he provided the answer, but Mr Molloy will actually provide additional information.

Mr EMERSON: Sorry, Treasurer, I was not clear. Is Mr Murphy saying that the Treasurer did not get it wrong or he is not aware of the issue?

Mr PITT: Can I just say before Mr Molloy answers, you are assuming that one is right and one is wrong. They are actually both correct. That is why we have asked Mr Molloy to provide some additional clarification because we are talking about different methodologies.

Mr EMERSON: I am just quoting from the Premier's office.

Mr PITT: That is fine. If this is an attempt to—

Mr EMERSON: It is the Treasury that got it wrong.

Mr PITT:—actually get an answer to your question, if that is what you are seeking, we will try to provide that to you.

Mr Molloy: The 600 figure refers to a full-time equivalent across the entire year.

Mr EMERSON: The basic formula you use in terms of calculating these things, in terms of—

CHAIR: Member for Indooroopilly, can you allow Mr Molloy to finish his answer, please?

Mr EMERSON: Sure.

Mr Molloy: That is right, whereas the 6,000 figure which had been used refers to people who at some time were engaged on those projects, so they are both correct figures; they are just calculated on a different basis.

Mr EMERSON: The 600 was correct and that would be—

Mr Molloy: That is certainly applying our methodology, which is a very general methodology which we apply across-the-board. That is consistent with that on a full-time equivalent—

Mr EMERSON: Just explain to me, Mr Molloy. Just educate me here, Mr Molloy, if you could please. The 600 you are working on is the basic formula you use when you work out and calculate how many jobs are likely to be created by, say, an infrastructure plan or a project; is that correct?

Mr Molloy: That is correct and that is across an entire year. It is the equivalent across an entire year.

Mr EMERSON: So the 600 was right based on the accepted, longstanding formula used by Treasury for many, many years?

Mr Molloy: That formula gets refined over time, but the concept is there. Again, that is a very general approach which is taken given the number of projects and the need to be able to aggregate across time.

Mr EMERSON: One figure was 600; the other one was 6,000. One is 10 times the other figure. Could you explain to me, Mr Molloy, how the other calculation would get a situation where you see 5,400 more jobs being created above the 600 that Treasury calculated that project would achieve?

Mr Molloy: Sure. The 6,000 figure, as I said, refers to the number of people who at some point, according to the local governments, were employed on these projects. The 600 figure, remembering that there are 365 days in a year, is the full-time equivalent across a year. Both figures could be consistent. We did not derive the local government figure, but I note that they are done on different bases. They can still both be accurate; it is just that they are measured on a different basis.

Mr EMERSON: Are you saying that that 6,000 could be one person working one hour for one week rather than the FTE?

Mr Molloy: That is not what I am saying. I am saying that one person there does not equate to one FTE. It may have been for some months; it may have been for some weeks.

Mr PITT: Can I just add something to the Deputy Under Treasurer's response? With reference to your point about if someone is working for one hour a week, if we want to have a debate about those methodologies, that is a methodology that has been applied since John Howard was Prime Minister in terms of what we do with job figures. We do not deal necessarily in FTEs when we are doing job creation figures every month when it comes to the ABS statistics, either. What we are trying to communicate—and I am not sure who the government spokesperson was. I did not provide that response, but I will say that the general formula that we use—and it does go up and down—on average is about three FTEs to every million dollars spent on capital programs. Of course, that is not to say that there are not more jobs created as well. Clearly, when things are going into the economy there is a social and economic uplift as a result of doing particularly social infrastructure and what that means. The other part that works with Queensland, which is important to note, is that we have a program where we are working with local government to deliver projects, and in many cases they are also making co-contributions, sometimes even bigger contributions than the ones that we are doing.

CHAIR: Time is up.

Mr PITT: Do you mind if I just finish, Mr Chair? I will literally be one more minute. It is important that these are looked at in terms of what their actual economic impact is. These councils have welcomed the funding. They have welcomed the opportunity to hire local contractors. To date, I challenge you to find local governments whom we are supporting with this funding who are unhappy with the outcome and the job creation.

Mr EMERSON: I guess 6,000 is not 600. That is the real issue.

CHAIR: Treasurer, I have a question. With reference to page 132 in Budget Paper No. 2, can the Treasurer advise how the Abbott and Turnbull governments have ignored Queenslanders at the expense of other states, especially New South Wales?

Mr PITT: For some people it has probably been the favourite pastime of Premiers and Treasurers to do Canberra bashing. Our Premier and I take no pleasure in doing that. We actually like to try to get outcomes. What we have seen though has not been an appropriate level of federal government funding that we need to deliver a number of vital services and projects to ensure that people get the high standard of service provision that they both expect and deserve in areas like health and education. What we have again seen has been the Turnbull-Morrison government forgetting Queensland again. There continues to be a high degree of uncertainty around national partnership agreements. We have tried on numerous occasions to get more certainty and that includes asking for them to provide an early indication of when national partnerships would be altered and ended and that has not happened. This is not just a concern for Queensland. I can say very safely that my Treasury counterparts at our ministerial council meetings are very clearly saying the same thing. No doubt the Premier would endorse that that happens at COAG as well. We would be hoping to get a more understanding reception from Scott Morrison the next time we meet.

As you would be aware, states have a limited capacity to influence the continuation of expiring agreements. Therefore, the little warning that I mentioned earlier could have significant impacts on our budget. There are 24 agreements due to expire in 2016-17 or 2017-18. The total value of these expiring agreements over the lives of the agreements, which varies between one and 10 years, is \$1.966 billion. There was no advice given in the 2017-18 Commonwealth budget on 13 agreements regarding renewal or ceasing funding, the most significant of which is the remote housing strategy national partnership, which provides funding for improving housing in Indigenous communities. Our national partnerships where funding remains uncertain include the new Skilling Australians Fund, which replaces the previous skills reform agreement. It is estimated to have a negative impact on Queensland of around \$40 million per annum. There has been no additional funding beyond the 2018 calendar year for universal access to early childhood education.

I talked earlier about the category D NDRRA situation in which we requested a matching of the \$110 million we put into this budget and that has not occurred. We have seen a consistent pattern of behaviour when it comes to excluding Queensland from funding arrangements. Very famously, with regard to the asset recycling initiative that was put forward by the government, clearly that is not something our government would ever be participating in because we were not going to be selling our income-generating assets. If the opposition are to be believed, they share that view. We have tried to explain this but two consecutive elections have said that Queenslanders did not agree with that position. We should have had access to that funding, if not in that fund, by another stream, yet we were excluded. Of course, we have not received any funding for Cross River Rail, a \$5.4 billion project that we have committed to fully fund. We have a \$10 million contribution from the federal government, but we also have a \$10 billion rail infrastructure fund, \$9.4 billion of which they say will be available beyond the forward estimates. We hope that we may see something there. If that money does come at a later time we will reprioritise some of our funding that we have committed and make sure we can put that to work somewhere else.

There are several road projects. We have gone beyond what we consider to be reasonable in reaching agreement with the Australian government to have these delivered. If there is a bright spot when it comes to our federal relationships in terms of funding, it is on roads. We have been able to deliver some road outcomes, and I will acknowledge that. I am sure the Minister for Main Roads will also do that when it is time for him to speak to the estimates committee on his day.

There have been, though, a number of special payments made to states which have excluded Queensland. We saw \$1.6 billion in the 2017-18 budget for Western Australia, with \$700 million for the Metronet rail project, again with a far less convincing and comprehensive business case than we have provided for Cross River Rail. There is \$1.42 billion for Victoria for its Regional Rail Revival announced after the Commonwealth 2017-18 budget. Of course, very famously we have seen a number of top-ups that happened for Western Australia outside the GST pool. There was \$499 million for roads and another almost equal amount getting up to around \$1 billion over the last three years to top up their lack of GST. When you start looking at this, there is a clear pattern of exclusion of Queensland. When you start throwing into the mix some of the newly discovered areas with federal legislation passing around what has been termed as Gonski 2.0 there continue to be major concerns about the ongoing funding we are receiving from the federal government. There needs to be a serious rethink by them or there needs to be a change of government.

Mr POWER: A lot of people at the back have not heard enough questions about Logan, so I thought I would bring one in. They were all anticipating it. I refer to page 17 of Budget Paper No. 2 which outlines the Palaszczuk government's economic growth plan. How has it driven jobs growth in Logan?

Mr PITT: I talked in my opening remarks about the nearly 70,000 net new jobs that we have created since coming to office. That is on average 2,470 jobs each month. When you do start talking about some of the success stories of local areas or specific statistical regions, there have been some. I will take this opportunity, before I answer your question about Logan, to speak very briefly about Far North Queensland. I am very pleased to see that we now have our lowest unemployment rate in terms of the 12-month moving average there since 2009. That is a significant improvement. It is down to 6.6 per cent. We have also taken the peak off youth unemployment from a high of 28 per cent down to 19.6 per cent. Those are the direct results of programs like Back to Work, and Back to Work is a program which in my last budget was all about regional Queensland. It was specifically designed for regional Queensland at a time we needed it most and that was a \$100 million program. Over the period since January 2015 the Logan-Beaudesert region unemployment has fallen 2.6 per cent to 5.8 per cent and youth unemployment has fallen 2.3 per cent down to 13.3 per cent. We promised that we would focus on job creation and we have done that.

I am pleased that as a result of the success of Back to Work over the first 12 months we have seen more than 5½ thousand people directly employed. There is no formula, as per the earlier questioning. These are direct jobs and we can say with certainty there are more than 5½ thousand people who have gotten those jobs. Those jobs are now going to be on offer in South-East Queensland as well.

We have extended the Back to Work program. We expect that we will be able to support another 1,500 people through our \$27½ million top-up and expansion of that program. That is going to be really important because it will be focused on long-term unemployed people and young jobseekers aged between 15 and 24. I know that you, the member for Bundamba, the member for Sunnybank and hopefully all of the members of the committee will really be pleased to be able to tap into that. That is why we have tried to establish the best business confidence and best business conditions to incentivise businesses to hire people. If they were thinking about it, we hope this is what makes the decision for them. That is what this is really about: creating jobs in the private sector which we know will be of great benefit to the people who will be receiving them.

CHAIR: The committee will now adjourn for a 15-minute break. The hearing will resume at 4.15 to continue its examination of the estimates for the areas of responsibility administered by the Treasurer and the Minister for Trade and Investment.

Proceedings suspended from 3.58 pm to 4.14 pm



Mrs MILLER: For the benefit of Treasury officials here today, I know there was some concern earlier about the number 600 and 6,000. Please understand that the general community out there only understands full-time-equivalent jobs. They do not understand any other way or means by which you model whatever it is that you model. In other words, when it comes to the number of jobs, if you can take into consideration the people you serve—the people of Queensland—and model in relation to full-time equivalents, the people whom I represent would be very grateful.

Mr PITT: I agree with you entirely, and that is why the standard Treasury approach is to look at the FTEs.

Mrs MILLER: Thank you very much, Treasurer, for making that point, because I am sick to death of hearing all of these different quotes about the number of jobs. Thank you for agreeing with me, because the people of Queensland have turned off. They are sick of hearing 600 and 6,000, or whatever it is. There is only one truthful answer, and that is the number of full-time-equivalent jobs.

Treasurer, I know that you said earlier the economy has in fact grown, but the people in my electorate do not actually feel that the economy has grown. The reason they do not feel that is because, while the economy has grown in terms of part-time jobs, there has been a cutback in terms of full-time jobs. If you can understand that for people in my electorate getting part-time jobs can be difficult, but no-one wants part-time jobs. Full-time jobs are like winning Gold Lotto these days. My constituents want full-time jobs, because if you have a full-time job you can earn money and borrow for a house, a car or whatever. If you only have a part-time job—Treasurer, you would understand this in relation to your electorate—the banks turn you away. They say, 'Come back when have you a full-time job.' Can you explain to our committee what the government is doing to help regional Queenslanders in particular get full-time-equivalent jobs?

Mr PITT: As a broad statement can I say that the casualisation of the workforce and the increasing number of part-time roles is sometimes reflective of how the economy is travelling but it is also part of how the economy is evolving and changing. That is not to suggest that that should be the new normal, but we are seeing an increasing number of part-time roles. I know many people who, if they are fortunate enough to have a job, sometimes have two or three part-time jobs and they work around those in terms of flexibility. Obviously a part-time job is preferable to a casual position in the sense that at least you have some baseline conditions that will support you in what you are doing.

In terms of what we are doing, obviously the only thing that we control absolutely directly is the public sector workforce itself. Clearly the government always tries to be a model employer. There are a number of occasions where this is not the case, but wherever possible we would like to see temporary roles converted. We would like to see people who have been employed on a casual part-time basis get more job security. Those are the things that as a government employer we would aim to do, and that is a much longer conversation than we have time allocated for today.

We also cannot necessarily control what happens with private sector employers. We can control our Back to Work program, which is concentrated on full-time roles; however, there is a pro rata-ed element of it which relates to part-time employment. That obviously affects the amount of money which is imparted as the incentive payment as the person goes forward. More often than not, the majority of those roles have been full-time roles, and I think that has been a really good part of the success of the program.

I understand your concerns. It is certainly not the first time I have heard them, and I believe that you are going to hear a lot more about it. It is not just the changing dynamic of the economy; it goes to digital disruption and it goes to all of the things that we are seeing as the economy continues to grow. It will do different things and we will see that people sometimes have multiple roles. The idea of staying with the same employer for a substantial period of time is not absolutely a thing of the past, but it has certainly shifted dramatically. We are cognisant of those things. We are doing what we can to ensure as much job security as possible, and we are pleased to see that that has been part of the outcome of the Back to Work program in particular. Of course we are still reliant on those employers who take up the incentive as to how they shape their own individual workforce.

Mrs MILLER: Will the figures that you provide at the end of the Back to Work program be audited as full-time jobs? I am trying to make sure that the jobs that are quoted back maybe for next year's estimates will be quoted back to this committee as FTEs rather than the number of jobs, which might be a couple of hours a week.

Mr PITT: The numbers that we talk about through the budget process are FTEs. I think the important point is that, when you look at the spend in this year's budget, the budget is supporting around 40,000 jobs, with the majority of them in the private sector, through a range of programs. We obviously have a significant spend on a capital program for 2017-18, at just over \$10.1 billion, which is supporting 29,500 FTEs, but the remainder of that 40,000 is made up of Back to Work and the flow-on impacts of some of our other programs, including what we spend in local government with Works for Queensland and other programs like Skilling Queenslanders for Work. When you put all of those things together, that is where we come up with those numbers. I take your point that people are keen to see full-time roles wherever possible, and we endeavour do that wherever we can.

Mr DICKSON: My question is to the Treasurer. I note that your department's 2017-18 SDS at page 3 states—

The major external factors that could impact Queensland Treasury in 2017-18 include ... volatility in coal and petroleum royalties and volatility in energy costs ...

Considering that you have removed funds from government owned corporations such as Energex and Ergon in order to balance the books, and in turn those GOCs are attempting to recoup those funds by passing on increased funds to consumers, how is it consistent with the government's intention to provide a royalty holiday to Adani? As I understand it, the government may allow Adani to defer or delay payment of those royalties, and delaying or deferring payment of those royalties is, in effect, a taxpayer funded subsidy.

CHAIR: Treasurer, there is more than one question there and you may wish to answer the first part of the assertion.

Mr PITT: I will do my best to answer the member's question in its entirety. Firstly I would say that I think there is an imputation in the question, particularly the remark about essentially taking money out of other electricity businesses and then making up the shortfall by charging higher energy prices. I hope

the member clearly understands that the rules governing the way that electricity prices are determined—from the wholesale point under the National Electricity Market right through to what the QCA does as an independent arbiter in setting electricity prices—is not something that is done at the discretion of the government. We can try to improve on the situation. The member was not here earlier to hear some of those explanations, but it has certainly been suggested that because of the fact that we own our government electricity businesses—they are in public hands—we have made a significant difference and have been able to reinvest into supporting Queenslanders with putting downward pressure on electricity prices, including more than halving the expected residential price rise from 1 July. The assertion in the first part of your question is not correct. That is not what is happening. It is a nice set of words if you are looking to ruffle feathers, cause trouble or make a political point, but it is not correct.

In relation to the latter part of your question referring to the Adani Carmichael mine project and what that looks like from a royalty framework perspective, I did try to pay attention to the earlier hearing when you were questioning the Premier. I am sad to say that when I was trying to watch the video feed on Parliament.TV I felt a bit like an avid viewer of *Game of Thrones*: I was not able to get continuous coverage so I missed some parts of it. Can I say that the royalty framework we have come up with is about recognising first-mover advantage. It is about ensuring that we get good outcomes in the Galilee Basin, the Surat Basin and the north-west minerals province, and it is about ensuring we can give some certainty to a project which will employ a number of people in this state. Of course, the suggestion that they are getting a 'royalty holiday' is not correct; it is a deferral. That deferral means they will pay every cent of royalties plus interest over the life of the agreement. That is not inconsistent with the way royalty frameworks have been applied to previous resource projects over many years in Queensland.

There has been a sharp focus on this particular project, and it is disappointing because there are other coal projects which either have been re-enlivened and reopened or have looked at end-of-mine life and remnant mining. There have also been other coal projects which have been approved, yet there is a singular focus on this one particular project. I think that is a concern because, if we look at this on balance, there are going to be a number of jobs created. Yes, there will be royalty flows, but the additional investments that will be made, including in areas such as mining and engineering technology and services, will also be supported through the investments we are making.

Mr DICKSON: Treasurer, thank you very much for that fulsome answer. I also note that page 34 of the 2017-18 SDS states—

The increase in current Interest bearing liabilities represents advances received from government-owned corporations (GOCs) as part of the Cash Management Strategy.

Page 35 of the SDS states—

The decrease in new borrowings reflects lower borrowing requirements than expected at budget offset by the receipt of cash advances from GOCs.

Treasurer, taking into account the stark admission that your government has been raiding—and intends to keep raiding—the GOC cookie jar, please advise how much was the net dollar benefit in terms of royalties that the government received from LNG industry in 2015-16 and 2016-17.

Mr PITT: I will perhaps defer to the chair, but there are multiple parts to that question. I am happy to give the member a response. If you are not satisfied with that response, if there are any areas I have missed or that you would like further detail on, as always I am happy to provide—

Mr DICKSON: Treasurer, the bones of the question are very much the last part relating to the royalties that the government received from the LNG industry from 2016-17—the net return to the government.

Mr PITT: I may defer to get an exact answer for the member, because I want to make sure that we give you the answer correctly.

Mr DICKSON: I am happy for you to bring that back.

Mr PITT: I am happy to take that question on notice. I may pass over to the Acting Deputy Under Treasurer to give you an answer, but I would like to return to the earlier part of your question where you refer to 'raiding the cookie jar of GOCs'. They are called dividends, member. They are government owned corporations which return dividends to the government of Queensland to reinvest in services and to reinvest in providing—as we have done earlier this year—in some cases lower electricity prices to households and businesses. Is there some suggestion that we are doing something different to any previous government? The dividends they provide are one of the key reasons we want to keep them in public ownership. That is one of the reasons we said that, without those businesses being owned by

the government of Queensland for the people of Queensland, on average we would have a \$2 billion black hole in our budget every year, because that is what we would lose in dividends. I will hand over to the Acting Deputy Under Treasurer to provide you with a specific response to the LNG question. I am happy to provide you with a briefing if required so that you understand exactly why the retention of these businesses in public hands is so important.

Mr DICKSON: I understand very well. I am just looking for that point with the GOCs relating to the LNG industry, please.

Mr Molloy: It is published in Budget Paper No. 2. I will give you a specific reference. It is page 221 of—

Mr DICKSON: If you can just explain to the committee—

Mr Molloy: I will do that, but for the benefit of the committee I would like to show you where these numbers are.

Mr DICKSON: We trust you and believe you. I am just asking you for a number.

Mr Molloy: It is on page 221 of Budget Paper No. 2. The figures that are relevant are in the table titled 'Taxation and royalty revenue'. There is a line for petroleum royalties. That includes gas and LNG but predominantly LNG. We do not split these out separately, but LNG is a fair component of this. In 2015-16—I think that was a reference year for you—it was \$36 million. In 2016-17 the estimated actual is \$97 million and that then ramps up over the forward estimates. There is a profile there reaching almost \$300 million by the end of the period 2020-21.

Mr DICKSON: Thank you. How much does it cost to stage estimates, including the preparation of departments, staff and per department positions that are here today? Would you have a rough idea or would you like to come back with that one?

Mr PITT: First of all, the staging of estimates is a matter for the parliament. This is a parliamentary process and not one for the government. I provide an appropriation, as every Treasurer does, to the parliament of Queensland to conduct these matters, so that is well within the usual bounds of that. In terms of the number of hours and time that is put into the estimates process by the dedicated staff in Queensland Treasury and those people working in Trade and Investment Queensland, I can say that people put a lot of effort and time in but it is also part of their everyday job. I think you will find that there will not really be any additional costs to do it unless people are pulling stunts and bringing props in or doing other things. This is the business of government and this is a responsibility that I as a member of the executive has to answer questions from the parliament about a budget appropriation and to make sure that we deliver as responsible a process and answer as possible, and that is what we are doing.

Mr DICKSON: Treasurer, could you come back with a number on that for me please? You will take that on notice?

CHAIR: I hand over to the deputy chair please.

Mr PITT: Mr Chair, just finishing my response, I have offered if there were any additional costs we can explore that, but I am not going to give an absolute that I will provide an additional figure because there may be none. There is an appropriation to the parliament for staging estimates. That is within the parliamentary budget. I would suggest there is no additional cost, and that is my answer to your question.

Mr DICKSON: Thank you, Treasurer.

Mr STEVENS: My question is to the Treasurer or perhaps the Under Treasurer if necessary. As far as I can determine, the total cost of the new SPER ICT system being delivered by CGI Technologies and Solutions is \$58.8 million, and correct me if I am wrong. Is the project still on track to cost that amount in total or have there been changes to the projected cost of this project?

Mr PITT: I am going to seek some advice on that answer. While I am waiting for that brief I will just make some remarks about SPER. Clearly the parliament has given consideration to a range of measures that we have put in place as a government to try to shake up the SPER system to ensure that we are getting good outcomes for people and not putting people through unnecessary financial hardship or personal pain as a result of their fines. We have tried to streamline that process to make sure that we are getting better outcomes in terms of fines not being referred to SPER in the first place, and that has been providing, particularly on a toll exercise the likes of Transurban, more opportunity to make and retrieve those fines before they come into the system. I am sure members would agree there is no benefit in having an overall SPER debt that is high. There are also other measures that we have

put in place in terms of work development orders, which we think are a fair and reasonable way for people who may unwittingly have been put into the system. I think this is important when it comes to the SPER ICT program itself.

We did sign the \$58.8 million contract, as you have stated, with CGI Technologies. We are working to implement that. As I am aware, it is on track. There are no concerns with the progress to date. This is a system where we expect, in combination with the measures that we have put in place through the legislation in the parliament, there will be some additional opportunity to recoup fines—to recoup SPER debt—which will hopefully provide some positive revenue to the state. My answer to your question is that it is on track, on time and I am not aware of any issues. If the member has any issues that he is aware of from external factors, I would certainly be keen to hear from him.

Mr STEVENS: Just to follow on in terms of project implementation that is the cost to CGI of the project, as I understand, I just want to make sure and put it in concrete that there are no project implementation cost blowouts. I hate to refer to the ICT Health payroll program, but I would not like to see the \$58.8 million turn into a billion-dollar project such as our Health payroll. That is the assurance that I am seeking from you and from the Under Treasurer—that the \$58.8 million is the total final cost of that.

Mr PITT: I might see if the Under Treasurer wants to make some remarks, but I share your concern. We do not want to see any blowouts in any costs. As the Treasurer I certainly do not want to see that, particularly when it comes to ICT projects. I would suggest that there has been a very steep learning curve in government around ICT projects. I work very closely with the Minister for Innovation, Science and the Digital Economy, Leanne Enoch, to ensure that we have a whole-of-government view on how we implement and deliver these ICT projects. I am confident that all of the gates that we are required to go through in terms of the planning, funding and implementation are on track at this point. I am certainly not aware of any issues, but I will hand over to the Under Treasurer to provide some additional remarks.

Mr Murphy: Mr Stevens, the contract is safe and sound in terms of the cost. I would say it is proving more difficult in terms of the implementation of the whole project than it was first thought, so that might lead to it not meeting the time line that we set, but it is on track and we expect that it will improve the system considerably. As well as that, as you know, we have given more options to people to be able to pay back debts. It will improve the whole system once it is fully implemented, but it is quite a complex IT exercise.

Mr STEVENS: Thank you, Chair.

Mr MINNIKIN: Treasurer, my question is also in relation to the timeliness and implementation of the new system. It was expected when the contract was signed to be operational or running by the second half of this year, as the Under Treasurer has just said. What specific implementation milestones have been reached so far—tangible milestones?

Mr PITT: What we are doing is replacing SPER technology with a software as a service. We have made significant progress in terms of system design, but there are functional design and system build activities which are underway. The SPER system is not a new system and, as I have mentioned, we have tried to undertake some significant reforms to try to really do something different because I think even previous governments have all tried to curtail this debt, which is an ever-increasing amount. We have made some inroads—and that is what this system is designed to do—but we want to get it right. I do want to ensure that this system is one that actually delivers real outcomes in terms of debt recovery. We do want to ensure that our time frames for delivery are set and adhered to, but if there is any change to that I am very happy to stand up and make that public if there is any concern of a delay. In my view any delay would be for very good reason—that is, to get the system right. There are no problems in terms of procurement, but functional design and system design needs to be right before this goes live and it is put into service.

Mr MINNIKIN: When does the government now expect the system to be operational, notwithstanding what you and the Under Treasurer have just said?

Mr PITT: We would like to see the original delivery in the second half of this year done, but I say to the member that if there is any change it would be a slippage by a quarter, if that was to be the case. I am not making that suggestion to you today, but if that were to be the case it would be because I want to ensure that we get the delivery of the system right. I am happy to provide some supplementary answers at another stage or make a statement to the House if that is going to be the case, but we are on track and getting the functional design of the system right.

Mr MINNIKIN: The ICT dashboard stated in relation to the project 'a rebaselining exercise of the implementation, scope, approach and schedule is progressing and is anticipated to be completed by 30 June 2017'. Has that exercise been completed and what were the results of it specifically?

Mr PITT: I would have to defer on that. I am happy to get Registrar Natalie Barber to provide an update if she is available.

Mr MINNIKIN: That would certainly be appreciated.

Ms Barber: In relation to your question, the ICT implementation project has had some slippage. We have worked together with CGI to replan certain phases of it. We have found the design of the system to be more complex than originally anticipated, particularly around our approach to case management, but we are working through that with CGI and we expect implementation in that we have a target date for delivery of first quarter 2018.

Mr MINNIKIN: Thank you.

Mr JANETZKI: Treasurer, you briefly mentioned the introduction of work and development orders earlier. Has the integration of those work and development orders posed any further issues in relation to the implementation of this project overall?

Mr PITT: Again, I think Ms Barber may answer that directly but we are still very early on in terms of WDOs, so I think you really need to allow that process to be fully implemented before we start making decisions on whether it has been a success. In terms of the complexity of the system—and, again, Ms Barber may provide that answer—clearly it has to be part of the delivery. If it is not, we are not going to be able to manage. Essentially it is a client management system. Yes, it might be about debt recovery but it also has to manage all of the aspects of people's interactions with SPER, so it has to form a part of it. How much that is I defer to Ms Barber to answer.

Ms Barber: Yes, that is actually a significant component of the new solution and we are on track to deliver that as part of the overall broader solution next year. We had always planned to stage the delivery of work development orders and we are doing that with Queensland Corrective Services in stage 1. That work is proceeding this year and we propose that we will have that solution in place by the back end of 2017 with Queensland Corrective Services, but the rollout of the full solution is planned for next year with all stakeholders.

Mr JANETZKI: Treasurer, my next question may in fact be better answered by Ms Barber.

Mr PITT: I am happy for you to refer it directly if you need to, but I am happy to answer it. Your call, member.

Mr JANETZKI: As at today, are you aware of what the SPER debt level is in Queensland?

Mr PITT: I can get an updated figure for you.

Ms Barber: I do not have it.

Mr PITT: I do not have it on me and neither does Ms Barber, but we can give you that during this hearing I am sure.

Mr JANETZKI: I would appreciate that.

CHAIR: I now hand over to the member for Bundamba.

Mrs MILLER: Treasurer, earlier this afternoon I asked you a question about electricity prices and the concerns for families. I also wanted to ask you about other cost-of-living pressures, particularly on our seniors and concession card holders within our community. I was wondering if you could let me know so I could pass on to people in my electorate what you are doing about the cost-of-living pressures for seniors in particular but also those who may be unemployed or on other concessions as well.

Mr PITT: Thank you, member for Bundamba. It is an area that I am really passionate about. In my electorate there are a lot of people who rely absolutely on the concessions that the government provides. I know there are people who would like some additional concessions, but there is a limit as to how much you can do within the scope of a budget. We expect by about October this year to have five million Queenslanders, so it is fitting that this budget provides just over \$5 billion in concessions. Some of them are ones that have been around for some time. and in responding to your question I will deal with some of those matters. There is one that I want to highlight immediately and it is one that I have always been very passionate about—that is, the rebate for people to get free dental care. This \$149 million is so well spent because we know that someone's oral health is one of the key indicators as to their overall health and it has massive flow-on effects as to how quickly someone can go downhill if that is not there. That is just one I wanted to really highlight up-front. I think it is a really important one.

We have had many debates with the federal government about who is providing funding for that, but as a government we recognise that it is a critical thing. Oral health and someone's emotional wellbeing are two very important things which lead to better outcomes.

You mentioned electricity. I have talked about the work that we have done in bringing that price rise down to 3.3 per cent for a typical household. I did not mention it before, but in dollar terms that is expected to see a saving of around \$51 for households. For businesses we have halved it, down to 4.1 per cent. That is expected to see ongoing savings to small business of \$90 out to 2020. It is quite a contrast. These are real savings delivered as a result of this measure—not the \$120 a year, every year promise that was done by the previous government, where we saw prices blow out by 43 per cent across the three years.

It is important to note that, even with the concessions in play, there are people who are doing it hard. This is why the energy debate is so important. We know that there are a number of Queensland households that have been disconnected because of their inability to pay their power bills. In 2014, 26,636 households that could not afford to pay their electricity bills had their power cut. That was one of the key drivers to ensure that, under our government, we did not see a rise of \$440, or the 43 per cent that I have talked about. We will not be making those sorts of promises, but we promise people that we will continue to put downward pressure on it.

When comes to the cost-of-living pressures in terms of concessions, we provide \$377 million in rental rebates to low-income families and individuals in government managed housing and a further \$19 million in terms of Home Assist Secure. This is where homeowners or tenants with a disability over the age of 60 holding a pensioner's concession card can receive up to \$400 towards labour costs for critical maintenance and repairs. This is an absolute godsend for people, particularly older people in the community, where there have been some concerns about whether they are able to get Meals on Wheels and those things to continue for them. It is a really important contribution. Having someone to come to mow your lawn can make a big difference if you do not have the capacity to do it.

Mrs MILLER: Can I say that, with the mowing the lawn program, in Ipswich in the summer the lawns get high very quickly and there are several weeks—

Mr PITT: Not as high as they get in Far North Queensland, I can tell you that.

Mrs MILLER: That is exactly right. Can there be further investigation into the money in relation to mowing the lawns, because that is a real concern, particularly when you have snakes and other vermin around. A lot of our elderly simply cannot get out there and mow their lawns. If you could look at that, I would be very grateful.

Mr PITT: I am happy to. You mentioned pensioners. We have the Pensioner Rate Subsidy Scheme. This is where we help lessen the impact of local government rates on a household where there are pensioners. It provides up to \$200 a year in terms of savings. In South-East Queensland we have the Pensioner Water Subsidy Scheme. This provides an annual payment of up to \$120 to support people with those cost-of-living pressures. The Electricity Rebate Scheme provides \$341 per year to assist with electricity costs for eligible holders of pensioner concession cards, Queensland seniors cards and something that has come up as a very important topic of debate, a Department of Veterans' Affairs Gold Card. We know that our veterans need support. I am sure that that will be a matter of significant debate going forward. My view is that we have to continue to hold the Department of Veterans' Affairs accountable for the job they do as a federal government, not necessarily see those things devolved to the state level. No doubt, that will be a conversation for the future.

We are looking to ensure that pensioners and seniors have their concessions continue. We are not going to do what the previous government did—that is, leave out concessions in the 2014-15 budget and then suddenly backflip two days later and magically make them appear in the budget. That is not what we did. That was an afterthought. We did not have an afterthought. We said all the way along that we would continue these pensioner rebates so that people could rely on the fact that they were going to get the concessions that they need and deserve.

Mrs MILLER: Thank you.

CHAIR: Can the Treasurer provide further information to the committee about the importance of the Queensland Trade and Investment Strategy 2017-2022, as outlined at page 52 of the Treasury SDS?

Mr PITT: I was very pleased to launch the Queensland government's Trade and Investment Strategy 2017-2022 earlier in the year. It is a \$35 million strategy. It is a very good strategy, because it has re-enlivened, particularly at a small- to medium-size enterprise level, people's view about whether

they could be exporters. There are a number of very big strategic goals that we try to achieve through this strategy. We have had a great network of overseas officers—Queensland government Trade & Investment officers—for many years. Having that in-market presence has allowed us to deliver a number of different things, particularly on the export side, over many years. We have to ensure that we continue to build and innovate in those traditional sectors. The strategy does two things: it looks to the future, it looks at those new opportunities, but it does not forget the traditional industries. It says that those need to continue to evolve and become part of the modern economy in an ever-increasingly globally competitive marketplace.

We put a number of different initiatives in this budget. The testament is the level of exports that we have announced—more than \$63 billion worth over the year to the March quarter, a very big outcome. That is more than \$1 billion a week and that is with some very challenging circumstances, including a natural disaster as well as significant parts of the state still in drought. We are pleased with those. For those who suggest that we do not have a real connection between exports and jobs, one in five jobs in the state is related to our export performance in some way. It is a really critical element.

I could talk all afternoon about our trade strategy. The other piece that I really like is that we have signed a statement of intent to have a memorandum of understanding with the Local Government Association of Queensland. That is important because for years local government has been playing a key role when it comes to delivering export and investment opportunities. I think at some stage they have not been given the information and advice or brought in to work with Austrade and the state government to the degree that they should. We think this is a very important partnership. They have gone well beyond roads, rates and rubbish; they are playing economic development roles. They are leading trade missions. For the person or the business who is interested in export, if we are able to make it a seamless process to get into the market and get the information they need, they do not care, like a lot of other things, whether it is the local council, the state government, or Austrade delivering their opportunity or that trade mission. They just want to get into the market. That has been a really important element.

We have a lot of businesses that are starting to feel like they can get into the export market. Some are doing domestic export—they are going interstate—and testing the water to understand their processes to make sure they are working and they understand those logistics. Others are now getting essentially one-or-one or case management from Trade & Investment Queensland to understand what they need to do. Most of them are very surprised that they are a lot better prepared than they thought. This is not a pipedream. This is something they can do, particularly with improved online platforms.

I am very excited by the opportunities in this strategy. I think it is one that is going to see our export share boost even more. We aim to get that share of national overseas exports to 22 per cent. That would be a great outcome if we are able to boost the number of Queensland government assisted investment outcomes by 20 per cent by 2022. They are ambitious, but they are things that we should be aiming for, because Queensland has a lot to offer in the global community.

Mr POWER: I make reference to page 23 of Budget Paper No. 2. Can the Treasurer outline how the Palaszczuk government's Advance Queensland program is supporting entrepreneurship in Queensland?

Mr PITT: I will make a brief, broad statement about Advance Queensland.

Mr POWER: I think it is so fantastic you can talk all day about it.

Mr PITT: It is a flagship program for the government. It really has been about this government recognising the importance of innovation—again, finding new opportunities but also bringing innovation into some of our existing sectors. That program is now a \$420 million program across the government, with some great aspects to it, including programs like Ignite Ideas. I think we have expended \$16.5 million supporting more than 118 SMEs to get their ideas to become commercial reality. There have been some great success stories in the program.

It is a long-term proposition for us. Just like the hard work that was done under Smart State really made Queensland a significant player, we have now seen that just recently Queensland has overtaken Victoria in terms of start-ups. Brisbane and South-East Queensland are the leader in terms of start-ups, and Cairns is the next best outside of South-East Queensland. There are great innovation ecosystems springing up right across the state and some really good job outcomes that are going along with that.

In terms of the program, we have other things, including the Business Development Fund. That is a great program, which I have had a lot to do with. Some of the investments that we have been making so far are in things like Tritium, which has been looking at innovative electric vehicle technology;

FGF Holdings, which has provided a software platform for people in the community by reinvesting in traditional home care for the aged; and the PlantMiner group, which is an online platform to enable customers to hire plant and equipment. They focused on local government first, but they are looking to expand more broadly. Also, one of the early ones was JESI Management Solutions. This was journey management software. It goes to the idea of journey claims and things like WorkCover. It makes sure that employees are getting where they need to go safely. It ensures their welfare to deliver good outcomes.

This program has been a fantastic success. We are seeing some excellent outcomes from the Business Development Fund. Again, it is part of that broader Advance Queensland opportunity. I am sure that the Minister for Innovation will want to talk to her committee at great length about it. There is a reason we are making the investments. It is about making sure that the Queensland economy is reflective of the changing global environment that we are in. Clearly, in the domestic context, we are making some real inroads in terms of improving our status. We are quickly getting that reputation again as a start-up state.

Mr POWER: With reference page 253 of Budget Paper No. 2, can the Treasurer provide an overview of how the Palaszczuk government and, through your Treasury, the government's Debt Action Plan has reduced Queensland government debt, especially compared to what had been previously forecast?

Mr PITT: Yes. I think I touched on this a little bit earlier in the day. We have made some really big calls when it came to our Debt Action Plan, making sure that we tried to modernise the Queensland government balance sheet. General government borrowings are estimated to be \$14.279 billion lower than were forecast under the final budget of the previous government. Again, this is a significant turnaround. An additional \$14.3 billion of payroll tax would be required to get that kind of an outcome. Essentially, if you take the opposition's view that they do not support it—I think they called it shifting debt, the balance sheet reform and regearing exercise that we undertook—it would take a more than doubling of our payroll tax rate, from 4.75 per cent to 10.8 per cent, to deliver the same outcome. That is something that no business in Queensland would stand for. It is a massive selling point for us interstate—knowing that we have the lowest payroll tax rate in the nation and the highest threshold of any mainland state. Of course, when you start looking at what that same amount means in other parts of the budget, \$14.3 billion equates to almost one-third of the state's total expenditure on health services over the past three years. This is not an insignificant reduction in general government sector debt. It is the debt that we service and pay interest on.

The exercise has been an important one. As I said at the outset, we do not agree that the non-financial public sector debt metric should be the one that we focus on, for the reasons I outlined in terms of interest repayments, but, if you go to that space, I talked earlier about the debt-to-revenue ratio and how that has come down from 141 per cent to 114 per cent. The borrowing position has been significantly improved as a result. We have seen NFPS debt come down by \$10 billion in itself. Even on the preferred measure of the opposition we have seen good outcomes indeed.

The other point that I make is that the outcomes we have delivered in the last two budgets and with this most recent budget have been a platform for building up to the point we are at now. It has been a process of recovery. It has been a process of getting back business confidence and driving improved economic growth. Of course, part of that, whilst not directly, has been responsible fiscal management and the Debt Action Plan that we have been delivering good outcomes with.

CHAIR: With reference to page 12 of Budget Paper No. 2, will the Treasurer outline how the Palaszczuk government is driving private sector jobs growth in Queensland? I apologise because I think you have touched on this.

Mr PITT: I touched on this a bit earlier. We have a \$300 billion-plus economy. In fact, by the end of the forward estimates it is expected to be worth about \$350 billion so it is a significant economy that we have and a very important part of what drives success in Australia more generally. From day 1 though—this was in week 1—we opened the doors here at Parliament House to business to engage and say that we are keen to engage with you. That has been part of the reason why we have made a commitment to restore confidence and we have seen the outcomes in terms of business confidence being so high, at some of its highest levels for many years. We have tried to reinvigorate the private sector. We have tried to work with them in terms of programs like Back to Work, but in answer to the member's question, it is important for context here to talk about why we have delivered programs like Back to Work and what we have been trying to achieve.

I used the example before about a community like Townsville which, like many other parts of regional Queensland, had a significant downturn in terms of mining construction. The transitioning economy meant that there were some big gaps that needed to be filled. When we came to office there were some significant gaps. There were some gaps there in terms of service delivery, jobs, as well as some of the project infrastructure pipelines that we had come to expect. Townsville had the additional hit of having Clive Palmer with the Yabulu nickel refinery close down with more than 800 jobs going. What we had was a really good example of where we needed to get something hitting the ground quickly. This is where Back to Work has been so important. It would not work if people were not confident enough to hire. We are incentivising them to hire under the program as well. That is why we have seen 5,500 jobs created under the program. Businesses right across regional Queensland are taking that next step and putting people on to get those outcomes. That has been an important program.

Infrastructure projects take time to plan and execute. They do not happen quickly. We already had in Townsville the stadium, we had things that were happening at the port, we had things that were happening on road projects, but they were going to take some time to come. That is why Back to Work has been important. That has not just been the case in Townsville, it has been the case right across regional Queensland.

That initiative has been a very key part of our engagement with the private sector. Again, people are not hiring unless they have the confidence or the ability within their business to do it. It is not just about taking on one extra person. Some small businesses have in fact grown under Back to Work. They have started out with essentially an owner operator and they have put on three additional people. They might have quadrupled the number of people working in the business, but they have actually more than quadrupled the outputs and success within the business. It was just the right program at just the right time.

In the midyear review I announced our Jobs and Regional Growth Fund which has been a case of the government being there at the right time again. Whether it be opportunities for businesses to grow or they needed a government intervention to ensure that they were able to continue operating we have provided those opportunities through Jobs and Regional Growth.

In answer to your question, we have tried very hard to engage with the private sector and to give them the confidence to continue to develop their businesses and grow them. I am getting a sense that with the combination of business confidence, consumer sentiment and all of the other economic indicators you are seeing we have got some really good reasons to be optimistic about the future in Queensland.

CHAIR: Before I hand over to the non-government members, could I please welcome Mrs Deb Frecklington, Deputy Leader of the Opposition, shadow minister for infrastructure, state development, trade and investment and member for Nanango. I invite you to open the questioning.

Mrs FRECKLINGTON: Thank you, and I thank the committee for allowing me time on this. My first question is to the CEO of Trade and Investment Queensland. Welcome to the front table and congratulations on your appointment in January of this year. My question refers to the SDS in relation to the expenses 2016-17, page 58 of the SDS. My question is did Trade and Investment Queensland retain the services of former Labor House of Representatives Mr Craig Emerson in a consulting or contracting role?

Ms Greville: Thank you for your welcome. Thank you for your congratulations. Trade and Investment Queensland has retained, over the period of time that I have been there and in the period leading up to that, a number of consultants to perform a number of tasks. Mr Craig Emerson works for KPMG. We have had a contractual relationship with KPMG in the context of developing and undertaking the consultation that led to the trade and investment strategy and Mr Emerson was part of that.

Mrs FRECKLINGTON: The former Labor member for the House of Reps now works for KPMG. In relation to that, was that a result of a select tender process for that organisation for that consultant work?

Ms Greville: If you will just give me a moment. That was before my time so let me refer to my notes.

Mr PITT: It is before my time as well.

Mrs FRECKLINGTON: Unfortunately the former minister for trade is not in front of me.

Mr PITT: We will get some answers for you.

Mrs FRECKLINGTON: Thank you. I am also interested to know the value and the scope of that work. If it is something that you are happy to get me back to me on, Minister, I am happy to have that information provided to me.

Mr PITT: We will see if we cannot do it today for you.

Mrs FRECKLINGTON: I am happy to move on to the next question. My next question is to the CEO of Trade and Investment Queensland. I refer again to the SDS on page 52 where it states that Trade and Investment Queensland is responsible for delivering the annual Premier's export awards. My question is on how many occasions have both the Premier and the trade minister not attended an annual Premier's export awards?

Ms Greville: I am afraid I do not have that information to hand but we can find out for you.

Mrs FRECKLINGTON: I know neither of them attended this year.

CHAIR: Are there currently now two questions on notice?

Mrs FRECKLINGTON: That is correct.

Mr PITT: Can I clarify, member, you are talking about the program for 2017 or the program for 2016? The 2016 export awards were held on 20 October at the Brisbane Convention Centre last year.

Mrs FRECKLINGTON: That is correct.

Mr PITT: The Premier and I both launched the export awards this year.

Mrs FRECKLINGTON: You have launched them but I am wondering if you have attended them. I know you cannot have because you were not the minister.

Mr PITT: I cannot have attended them because they are not due to be—

Mrs FRECKLINGTON: With the greatest respect, you have been in government for a couple of years.

Mr PITT: I am trying to clarify, the 2017 export awards are going to be staged on 19 October.

Mrs FRECKLINGTON: What about the 2016 awards?

Mr PITT: Which were held in October last year.

Mrs FRECKLINGTON: The question is did either the Premier or the Minister for Trade attend those awards?

Mr PITT: You did reference this year which is why I was seeking clarification. I apologise.

Mrs FRECKLINGTON: The 2016 awards and I could even extend the question to the 2015 awards as well because I would like to know if it is the case that Labor governments do not attend the Premier's export awards given the importance to local business and export for this state. Minister for Trade, I am happy then to direct the question to you, how damaging do you believe it was that neither the Premier nor the Minister for Trade attended the 2016 Premier's export awards?

Mr PITT: I am certainly not aware of whether that is actually a factual statement or not. I am not trying to suggest that it is not, but I would need to actually know whether that is correct. But can I say that there are, and I am sure as now the Deputy Leader of the Opposition, a number of mitigating circumstances as to why people can or cannot attend events. I think it is important for us to ground truth the statement first of all. Secondly, the reason why we have the Premier of Queensland's Export Awards is because it is the leader of our state who has a very significant interest in export and she takes a personal interest in that, even though I am the trade minister and previously it was the Deputy Premier. I think whether you are at an awards ceremony or not does not dilute your interest in an area nor the benefits. I think if you refer to many statements in the House you will not need to look far to see just how active an interest the Premier does take in our export performance and her interactions with business. I will ground truth your statement, but can I say I think it is a long bow to suggest that non-attendance at an event in any way suggests that that is the reason why someone is or is not interested in it.

Mrs FRECKLINGTON: I am sure the businesses that spend a lot of time and effort and money to get to those trade awards would have appreciated a representative there.

Mr PITT: I have some information. My understanding is it was the honourable Anthony Lynham who did attend because both the Premier and Deputy Premier were unavailable. If that is the case I do not think as a stand-in the Minister for State Development, who shares with me some responsibility for

economic policy and has a direct relationship with trade, is in any way a poor outcome. Of course, everyone loves to see the Premier and the deputy, but at the same time if they were unavoidably detained from attending that event, without understanding the full reasons why they were not there—

Mrs FRECKLINGTON: I am happy to move on.

Mr PITT: I think it is important for you to find out why they were not able to attend because it could have been for some very important reasons.

Mrs FRECKLINGTON: I think you would have a better opportunity to find out than I would, but I will move on.

Mr PITT: In answer to your question about 2015, the Minister for Trade at the time did attend the 2015 awards.

Mrs FRECKLINGTON: Thank you.

Mr PITT: And I intend to be at this year's awards.

Mrs FRECKLINGTON: You intend.

Mr PITT: It is well and truly in my diary.

Mrs FRECKLINGTON: When did you say it was going to be?

Mr PITT: It is going to be in October, member.

Mrs FRECKLINGTON: So you never know.

Mr PITT: I am down to attend. Unless something dramatic happens I will be there.

Mrs FRECKLINGTON: Minister, I will move on. That was a flippant comment and I apologise. My next question is again directed to the CEO of Trade and Investment Queensland. I refer to the Service Delivery Statement page 54 where it is TIQ's function to develop trade and investment policy advice. My question is was TIQ consulted before the former trade minister made the statement in relation to President-elect Donald Trump, 'I think America can do better than having a bigoted man as their leader.' That statement was made on 9 November prior to your time.

Ms Greville: I make the point again that that was before my time, but my understanding is that no, that was not a statement made on the basis of policy advice from TIQ. I think from the press commentary that I have read, the Deputy Premier was very clear that that was her personal opinion and she was making those points because she thought they were the right points to make.

Mrs FRECKLINGTON: Just so I can clarify your response there, in your role as CEO of Trade and Investment Queensland, if you had been consulted on those statements—I have those statements here if anyone wants to see them—a statement from a trade minister of the state of Queensland where we rely so much on our export trade, a statement such as, 'I think America can do better than having a bigoted man as their leader', about a potential US president, what would your advice have been to that Minister for Trade?

Ms Greville: If I were asked for policy advice about whether it was good for Australia's trade outlook for Donald Trump to be president of the United States on the basis of the comments he made during his campaign and has made subsequently about his attitude to trade policy, my advice to whoever it was who asked me, the then minister for trade and investment or the current Minister for Trade and Investment, is that from his public statements about trade policy there are dangers for Australia in his attitude and, if the United States were to move away from a global trade system based on rules, that would be a bad outcome for Australia, notwithstanding that the United States is an enormously important trading partner with whom we have a free-trade agreement and the single largest source of foreign direct investment to Australia.

Mrs FRECKLINGTON: Talking about our partners, if I can move on and ask a question of the Minister for Trade, given what is going on in the UK at the moment with Brexit, when will Trade and Investment Queensland fill the critical role of Agent-General in London given that the position has been vacant I think since January of this year?

Mr PITT: I thank the member for the question. We are actively working through that process now, but I will say that it is a position that we are very keen to fill. The role of Agent-General is important and you have identified not only the importance in the current climate with the flow through of a change of leader in the UK and a Brexit process, but also that they are a chief financial centre so in my role as Treasurer, not only as trade minister but also as Treasurer, it is important that we have that role filled. We are working very actively to try to fill that role, but we do need to find a suitable candidate.

Mrs FRECKLINGTON: It has taken you six months.

Mr PITT: It has not taken me six months. I have jumped on to the situation as quickly as possible and we expect that we will be able to fill that position. It is an important one to fill. As clear a statement as I can make to you is that we are not going to accept somebody who is not up to the task. On that, of course there are other important duties that need to be fulfilled. Without the agent-general, there are other trade and investment representatives who are fulfilling roles. The leadership role is critical, but let us not suggest that that role not being filled means that we are absolutely absent from the space. To provide some clarity for the member, we know that his duties ceased on 5 May, so it has not been six months as you suggest.

Mrs FRECKLINGTON: I think you were notified in January, I apologise. You have known since January.

Mr PITT: There may have been a notification and we certainly knew when his term was due to end, but it has not been six months that he has not been in the position. I wanted to clarify that there has not been that sort of gap. As I say, the leadership role is important. It is important that we get the right person, but to suggest that we were absent from the space would be incorrect.

Mrs FRECKLINGTON: Minister, will you confirm that your appointment will be a merit based appointment?

Mr PITT: That is certainly the intention, absolutely.

Mrs FRECKLINGTON: That is the intention but you cannot confirm it?

Mr PITT: I am saying to you that we will go through a process and will, of course, be asking for expressions of interest from people. As with the process to get people on to government boards, a merit process is always undertaken. At the end of the day, whether you agree with the appointment, we will wait to see what the outcome is. Ultimately, it is a process that we must go through to get the right outcome. I stress that it is an important leadership position, but it does not mean we are not continuing to drive the outcomes of the trade strategy in the absence of Mr Smith as the former agent-general.

Mrs FRECKLINGTON: I go back to the retention of former House of Representatives Labor member Mr Craig Emerson. Minister, can you confirm that you were made aware of the appointment in relation to the role that Mr Emerson is playing in Trade & Investment Queensland?

Mr PITT: I can certainly confirm that, as has been canvassed. I do not know whether you were privy to the questions asked by the Leader of the Opposition this morning, I believe when talking to the Premier, about the relationship under a different KPMG contract. I found the line of questioning somewhat unusual, given KPMG's standing as one of the big four organisations that are engaged in many different projects and opportunities across government. Mr Emerson, of course, has a very long and distinguished career, particularly in the space of trade. I think it is critical that that is not lost here. I am hoping this is not an assertion of 'Labor mates', because that would be an absolute imputation on the long and distinguished career of someone who has made a great contribution. Also, he is retained by KPMG and has not been directly engaged by the government. He is engaged through the KPMG arrangement.

Mrs FRECKLINGTON: Were you notified by KPMG that Mr Emerson would be the one working on this?

Mr PITT: That appointment was made prior to my time but I certainly was aware of it, yes.

Mrs FRECKLINGTON: Minister, were you made aware of the value of the work carried out by former Labor minister Mr Emerson?

Mr PITT: Again, we need to distinguish here. You are talking about the work being undertaken by an individual as part of an overall organisation that obviously provides additional support and services. It is not true to say that this is one person working on this. Of course, there are a range of people who will be providing support services to the member involved.

Again, this was an appointment made prior to my time, but I certainly agree with the amount of experience and rigour he has been able to bring to developing the strategy. I came in very late to this strategy. At this point I should acknowledge the former trade minister, the Deputy Premier, who undertook a lot of work to get the strategy to where it was. I came in at a very late stage, but I wanted to make sure that I had my two cents worth and made some additional contributions, given that I live in regional Queensland and that I am the Treasurer as well. There were some additional elements to the strategy that were not there prior to my taking over the portfolio.

I support the appointment, again, through an organisation like KPMG. I am not sure if the line of questioning is suggesting that there is something inappropriate about this. I am trying to ascertain the nature of your question to give you a good response.

Mrs FRECKLINGTON: Obviously the role of the opposition is to examine the budget process. I am keen to know how much taxpayers money was spent by the government on the appointment of Mr Craig Emerson.

Mr PITT: Again, I ask the member to be clear about the circumstances here. This is not about paying Mr Emerson; this is about paying KPMG, as he is someone who is hired by the organisation

Mrs FRECKLINGTON: KPMG pays Mr Emerson.

Mr PITT: Absolutely.

Mrs FRECKLINGTON: And he got the role because of who he was.

Mr PITT: Let us be clear, because I can see that you are trying to conflate this—

Mrs FRECKLINGTON: I am interested on behalf of the taxpayers of Queensland.

CHAIR: Member for Nanango, allow the Treasurer to continue.

Mr PITT: I am providing you with a response that talks about the engagement of KPMG. Mr Emerson is but one of several people who would have contributed out of that organisation. I think we need to be very careful that we are not suggesting that this is hiring a former Labor member of parliament; this is hiring and engaging KPMG to undertake this very important piece of work, which is a \$35 million trade and investment strategy that we believe has been very well received by all stakeholders.

Mrs FRECKLINGTON: I wish to ask the CEO of Trade & Investment Queensland about the appointment of KPMG. Ms Greville, can you confirm for the committee whether it was an open tender process?

Ms Greville: Again it was before my time, but my understanding is that KPMG is on the whole-of-government list of approved consultants from which this consultancy was taken.

Mr PITT: I think it was an SOA.

Mrs FRECKLINGTON: In the short time remaining, I have another question for the CEO of Trade & Investment Queensland. I refer to the service summary in the SDS, which refers to Trade & Investment Queensland coordinating ministerial trade and investment missions. Since 2015, how many ministerial trade missions have not included any business delegates?

Ms Greville: I have a lot of detail in front of me about all of the Trade & Investment minister-led and Premier-led delegations that have taken place in the past financial year. I will have to go through that to check who the delegates were. My understanding is that most of them had business delegates, but I would have to take a bit of time to read the detail about each of those missions in order to determine that I do not mislead you.

CHAIR: Would you like to take that on notice?

Mr PITT: I think what the CEO is intending to do is answer the question, but it may take some time because a number of trade missions have occurred, so it may take a few moments to go through and answer the question. Can you give a little latitude, Mr Chair?

Ms Greville: The first minister-led mission in the past financial year was the Minister for Transport and the Commonwealth Games, who went to the UK. It does not say that there were business representatives as well. In August, the Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply went to the USA, accompanied by members of the Australian Solar Council. In August 2016, the Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport went on the QTC roadshow, which involved discussing financial matters with investors overseas.

Mr PITT: Importantly, it is stand-alone QTC with support from TIQ, as opposed to a TIQ-led mission.

Ms Greville: The former minister for agriculture and fisheries went to Indonesia, Hong Kong and China in September 2016—

Mrs FRECKLINGTON: It is okay. I am happy to have that taken on notice, given that we have run out of time. Thank you.

CHAIR: Treasurer, are you happy to take the rest of the question on notice?

Mr PITT: The CEO is answering the question, so if she is able to continue I am sure she can provide the answer while we are here. She is going at a rate of knots.

Ms Greville: Perhaps I can summarise on the way through.

Mrs FRECKLINGTON: There are lots of missions.

Mr PITT: That is a good thing for the state, member for Nanango.

Mrs FRECKLINGTON: If they have business delegations with them, absolutely.

Ms Greville; There was the agriculture mission in September. The minister travelled with Queensland companies. The Deputy Premier went on a mission to the UK, France and the UAE in September/October. She was accompanied by an official delegation, including eight companies. In September/October, the Minister for State Development went to the USA. The minister was accompanied by 15 Queensland companies attending and exhibiting at MINExpo in 2016. In October 2016, the Treasurer went on the second QTC sponsored roadshow. In October 2016, the Minister for Health and Minister for Ambulance Services went to China and the USA, accompanied by nine delegates, and met businesses as well as regional and municipal governments in various places.

In November, the Minister for Education and Minister for Tourism and Major Events went to China, leading a Gold Coast tourism delegation. In November 2016, the Premier went to Japan. There is a lot of information about her trip to Japan. My understanding is that she was accompanied, but I cannot swear to that. In November 2016, the Deputy Premier went to China and Hong Kong with a delegation including the Sunshine Coast mayor. It is not specific as to whether there were other business delegations, but certainly regional councils were represented.

In March of this year, the Premier went to Singapore, the United Kingdom and India. She was not accompanied by business delegates, as I understand it, but she did meet with various business interests. In April/May this year, the Minister for Education and Minister for Tourism and Major Events went to China and Hong Kong with a tourism aviation delegation. In June, the Premier went to the USA for, among other things, BIO. My understanding is that there were up to 90 delegates.

CHAIR: I will hand over to the member for Logan.

Mr PITT: Mr Chair, can I make a brief statement in addition to the CEO's response. As you have heard, there are obviously delegations that are minister led and, essentially, government to government. Therefore, not always will there be opportunities for certain kinds of meetings to be with business delegates or other levels of government from within Australia. I think it is important to note that we need a mix of those kinds. All of the missions undertaken, we believe, have provided some very good outcomes. If they have not been about laying the foundation for future work, they have had definite outcomes that we have been able to secure back to the—

Mrs FRECKLINGTON: I am quite sure others want to ask questions.

Mr PITT: It is at the discretion of the chair.

Mrs FRECKLINGTON: The question was not asked of you, Minister.

Mr PITT: I am providing some additional information to you, member for Nanango.

Mrs FRECKLINGTON: I am sure, but I am helping out the chair to get the proceedings moving.

CHAIR: Member for Nanango, that is out of order. Treasurer, are you finished?

Mr PITT: I am finished, Mr Chair. Thank you for your latitude.

CHAIR: I now hand over to the member for Logan.

Mr POWER: I have a question about the trade sector, with reference to page 52 of the Service Delivery Statements. Would the Treasurer provide details of the success Trade & Investment Queensland has had in working with other government agencies to position Queensland globally as a leader in a number of industries, such as biofuels, agriculture and, of course, mining technology?

Mr PITT: Queensland is a world leader in the areas you have talked about. Trade & Investment Queensland is looking to make those linkages in terms of something I talked a bit about earlier in the hearing, which is mining equipment, technology and services. This is really important in the post mining boom environment. Clearly, mining construction has its components. Once you get into the production phase of a number of projects other elements come into play, and that is where some of the mining support services come in. When you essentially have a downturn in global commodity prices and a downturn in some of the activity, some of those businesses need to refashion themselves. They are

geared to do certain work and they need to try to find a way to continue to do that work. I made a very worthwhile visit to Taurus Mining Solutions in Mackay, which makes buckets that are very important for getting resources out of the ground and to where it needs to go. The great thing is that they are now getting into export markets as a result of necessity, because of the overall shift in the economy. They have been getting some excellent outcomes. Those things are important.

Going to the other area and picking up the CEO's previous points, the MINExpo trade show was part of a process that the Minister for State Development, Minister Lynham, was involved in. He represented the government at the export awards last year. He was with 24 mixed companies participating in that mission. This area is one where we see great opportunities and potential. We have always had great innovation, but our challenge is to make sure that those ideas are commercialised and are available not only in other parts of Australia but globally, and that we engage particularly with the North American miners as was the case with MINExpo.

We have also seen our vision for a sustainable export oriented biofuel sector really come into its own. Since coming to office we have formulated a 10-year action plan and road map to grow the biofutures industry in Queensland and committed nearly \$20 million to develop the biotechnology sector. Just before the budget—I remember the day very vividly because it was the day that Jim Pearce, the member for Mirani, decided to do one last lobbying effort at a press conference, as is his way—we made a very important announcement. We announced with Bio Processing Australia \$8.64 million in funding to help bring on a \$50 million biorefinery for Mackay.

Why this is so important is that it was not just a case of bringing a business from interstate and having them relocate, they were based in New South Wales and they were not just simply looking to relocate, they were looking to relocate out of Australia. They were potentially going to Malaysia or Singapore. What we were able to do through government incentives was ensure that 115 jobs related to that project would be created. That is 70 jobs in construction to establish the biorefinery in Mackay and another 45 ongoing, high-skill, high-tech jobs which will be a great boost to that local economy. It will further diversify that local area and play to their strengths.

These are the sorts of things that TIQ are involved in. It is not always about overseas. It is about working with other arms of government to deliver outcomes. That is why you will see more in this space. This involves a combination of activities. The Torus Group is looking at traditional sectors such as mining and will continue to innovate and improve processes and is also looking to the future and bioprocessing where we are seeing so much activity.

I am pleased to say that the work that we have been undertaking as a government is seeing real dividends back to regional communities in Queensland. As I say, the working relationship between Treasury, TIQ and all of our agencies is starting to pay real results.

CHAIR: My question is based around attracting foreign investment to Queensland. Treasurer, with reference to page 52 of the SDS, would you outline how Trade & Investment Queensland is collaborating with other state government agencies in attracting foreign investment to Queensland?

Mr PITT: I think it is important at the outset to talk about the fact that Queensland and Australia more generally has been a net importer of capital forever. That is going to continue for the foreseeable future. That is why our relationship with people overseas looking to make foreign direct investment is so important. That is why the overseas missions and the work that the CEO talked about are so important.

It is why we make the effort to go in market to meet firsthand with leaders of the state in relation to the various different portfolio responsibilities. It is not just my role as Treasurer and Minister for Trade and Investment or the Premier's or the Deputy Premier's. When she held the portfolio, all of our ministers have a role to play in terms of their direct relationships. That is how you get that whole-of-government approach to outcomes, identify investment ready projects and take those into markets in various countries.

We have attended a number of different events. We have heard earlier in the hearing about what happened with BIO 2017. A massive number of delegates attended that. Close to 100 leading Queensland industry and research leaders attended. They used that to cement our position as a state which interested in start-ups and innovation.

As a result of the ongoing investment attraction work that has been happening, a number of international organisations announced a decision to establish an office and/or their operations in Queensland in 2016-17. That includes BGI, one of the world's largest genomics organisations which is

headquartered in China. They have chosen Brisbane as their Asia-Pacific headquarters. BGI is working closely with Queensland universities and government bodies on key research issues in genomics, health care, agriculture and biodiversity.

ST Solutions Australia, which is a subsidiary of Japan's leading telecommunications group, SoftBank, opened its Australian operations in Queensland's start-up and innovation precinct in the historic TC Beirne Building in April 2017. SoftBank is partnering with the Queensland government to undertake proof of concept trials with its Pepper robots for use in Department of Transport and Main Roads customer service centres.

In addition, Japan Oil, Gas and Metals National Corporation's engagement with the Queensland resources sector and DNRM has resulted in the corporation completing a new joint venture arrangement with Stanmore Coal that will see investment of \$3 million into exploration at the Isaac Plains East project. In the agribusiness sector, Agrocorp International, a Singaporean commodity trading company, has recently invested in Queensland by acquired Associated Grain.

TIQ provided assistance to this company, including facilitating meetings with key stakeholders, providing information on Queensland government programs and ongoing support with regard to investment opportunities. As a result of this investment into Queensland more than 35 full-time jobs were retained in Dalby, with a commitment to building an additional 2,400 tonnes of silo storage capacity.

When you look at all of these things, there are some real results that we can talk to. Queensland is an attractive destination and has been for some time. Those are the direct things that have come from Trade & Investment Queensland's interactions. We are very excited by the level of interest that we are seeing particularly in terms of tourism infrastructure around the state. Whether it is in North Queensland as part of the Northern Australia policy or whether it is part of our ongoing in-market trade missions, we are selling Queensland to the world. We think that we have a very attractive product indeed.

Mrs MILLER: I note on page 9 of the SDS there is a reference to social benefit bonds. This is something that I have been very interested in over a number of years. I am just wondering if you could report to the committee on how the bond for Aboriginal and Torres Strait Islander children in out-of-home care is going and how the reduction in youth offending rates is going?

Mr PITT: Social benefit bonds are an initiative that I announced in our first budget in 2015. The period in which we have taken those from concept through to market sounding and through to final floating and investment has been 2½ years. Now we have seen all three of those bonds dispatched into the marketplace for investment. I am really proud of the social benefit bonds as a concept.

On my first overseas trip on that theme I went to Her Majesty's Treasury and spoke to people in the UK government about what they have been doing with social impact investing. It took them nearly eight years to get their first homelessness bond off the ground. It was a much newer concept at the time. That is one of the benefits of us coming in a bit later in the game. We have seen what works and what does not work.

In answer to your question, I am very proud of this work. The Indigenous disadvantage social benefit bond which we are working with UnitingCare Queensland on picks up the Newpin program which is a program that has had success in New South Wales. The outcomes here are about trying to safely reunify around 230 children who will go through the program with their parents over a seven-year period. It is important to note that they are long periods of investment and long periods where we seek to get the outcome. The success of that program in New South Wales has been extraordinary. We have high hopes that that is going to be good.

For members who are not necessarily familiar with what social benefit bonds do, they are really about attracting private sector investment to ensure that we have an agreed set of outcomes that are to be delivered. To receive a return on their investment those investors need to have the organisation that is auspiced to deliver the services achieve the outcomes. If those outcomes are not achieved they will get a base payment. They will not get the additional payment under the scheme.

There is a great incentive for the organisation to deliver and for the investors, whether they are doing this as part of their ethical investing portfolio or whether they are doing it to make sure that they get the return. There is something in it for everyone. We have not tried to duplicate existing social service delivery. These are some of the really hard to tackle issues that require an out-of-the-box approach, including an out-of-the-box funding stream.

We brought Life Without Barriers on to look at the reoffending issue. That was about looking at multisystemic therapy programs to work with family units to deliver improved family functioning and parenting skills. It is about looking at substance abuse. The reoffending rates of young people is obviously the key focus here. I am sure everyone can agree, if you can deal with recidivism it is going to have an awfully big impact on what happens in our youth justice system and our youth detention centres. Hopefully there will be a flow-on effect in terms of the incarceration of young criminals when they become more mature criminals and reduce the overall pressure on our jail system in the future.

These are very early pilots. They are the first three that we have looked at. The last is the Churches of Christ to look at homelessness which was announced only a couple of weeks ago. This picks up the Youth Connect program. The program works with 15- to 25-year-olds who are exiting statutory care. That can be a very challenging time for those young people if they do not have supports around them to take them into the next phase of their life. This program is about providing wraparound services through individualised case management. We are targeting around 300 young people through the program over 6½ years. In the first iteration it is focussing on South-East Queensland and Townsville as their source areas.

There was a little controversy when we announced these. Social impact investing is not new, but it was new for the Queensland government. The time in which this has been delivered has been outstanding when compared to other jurisdictions. To have them all there with significant investor interest means that there is great scope to expand this program and give thought to which other challenging social issues we might try to tackle with social impact investing.

Mrs MILLER: Congratulations, Treasurer. I know how hard this is to get underway.

Mr PITT: Thank you.

Mr POWER: I refer to page 74 of Budget Paper No. 2. Can you outline the Palaszczuk government's plan to effectively manage both government revenue growth and expenses growth or the balance between the two?

Mr PITT: The budget was handed down in the wake of Tropical Cyclone Debbie. The fiscal principles which underpin our approach are self-imposed principles that we believe are important to ensure we give credit rating agencies the comfort that we are working very hard to deliver good outcomes and be responsible fiscal and economic managers. At the same time we are making sure that there are some benchmarks that we can be held to.

As we look through those, we have had a bigger exercise in rebuilding the Queensland economy and rebuilding confidence. I have talked on a number of occasions today about our Debt Action Plan and noticeably what that has meant in terms of our debt to revenue ratio which is down to 60 per cent for 2016-17 and 2017-18 from a peak of 91 per cent.

We aim to fund capital investment in the general government sector primarily from operating surpluses. For 2017-18 that is about 59 per cent of the funding required for general government capital investments, which decreases slightly across the forward estimates. We are managing our capital program to ensure that there is a consistent flow of works to support jobs in the economy. Total general government capital purchases over the forward estimates are projected to be at \$25.071 billion. That is part of our overall \$42.75 billion capital program over the next four years.

We are committed to our competitive tax regime. I have talked earlier about why that is so important not only to ensure we have taxes, fees and charges applicable to Queenslanders in a reasonable state and provide some certainty over this term but when you go interstate it is a real selling point that we are essentially a low-tax state providing high-quality services and have great affordability. Our own source government revenue in 2017-18 is forecast at 7.7 per cent of nominal GSP, with an average of 7.4 per cent forecast to 2020-21.

We have had a big exercise in revitalising front-line services over this term of government. We did introduce last year a fiscal principle which looked at having our FTE numbers in government grow in line with population growth on average over the forward estimates. It has been no secret that we have come in at a figure across the forwards of 1.7 per cent. We are expecting, at least on our Treasury forecasts, to have our population growth in line with the Australian population growth rate.

It means that we are missing that one just slightly. I have spoken to both Standard & Poor's and Moody's since the budget, and we will be having some more detailed conversations as well. We have been able to demonstrate that we have seen a significant shift in terms of what the percentage increase was under the last year of the previous government and where it has been over 2016-17, and they can see the progression. This fiscal principle has sent a very clear signal to the public sector administrators,

the senior executives, and we have pushed that out to our HHSs as well to ensure they understand why it is important to keep that in check. I think it is, as I said previously, a reasonable expectation that we have of growing at that level. That is what we are aiming to do.

In contrast, we do not see any fiscal credentials at all from those opposite. They have a very simple answer. Their answer to the comparative between revenue and expenses growth is to cut services, to cut jobs and previously—if they are to be believed, that is the end of it—to sell income-generating assets as a quick fix. We have not taken the easy way out. We have worked very hard over the three successive budgets to deliver these outcomes.

It is also prudent to note that, with Tropical Cyclone Debbie, in order to ensure you have the services in play that are required to deal with those circumstances you do not pull back on your front-line service delivery, particularly when you are delivering around 86 per cent of new FTEs being front-line or direct front-line support. These are important issues that deliver positive outcomes for community and government. We are going to continue to work very hard in terms of delivering on all of our fiscal principles. As I say, they are the toughest in the nation. For good reason we hold ourselves to high standards. We are going to continue to work particularly on the FTE fiscal principle.

I did mention earlier—it is always important to say again—that the measures we put in place have seen general government sector debt lower, by \$14.6 billion, than the previous forecasts under the last budget of the previous government. That means considerable interest repayment savings, which means that we have been able to reallocate those funds to do more things to provide services and projects and programs for Queenslanders.

CHAIR: I will hand over to the member for Indooroopilly.

Mr EMERSON: I ask Ms Greville to come back to the table. Referring to the earlier questions regarding Dr Emerson, how much was the KPMG contract to review TIQ worth? How much were they paid?

Ms Greville: In terms of the contract for their assistance with the consultations and the preparation of the strategy?

Mr EMERSON: How much were they paid?

Ms Greville: My recollection is that it was \$84,000 or thereabouts. Let me find the bit of paper. To clarify my earlier not-very-scientific response, it was the whole-of-government standing offer arrangement through which KPMG was contracted.

Mr EMERSON: Would there have been other bidders for that contract?

Ms Greville: My understanding is that on the standing offer there is a list of consultancies that are preapproved. According to the public procurement guidelines, it is possible to choose a consultant off that list.

Mr EMERSON: There would not necessarily have been other bidders for that? They would have picked KPMG for this \$80,000-plus contract?

Ms Greville: Again, my understanding, which may be imperfect, being new to the Queensland jurisdiction as I am, is that if they are on the whole-of-government standing offer you can contract with them, which is different to going to the market and getting people to bid for the work. Yes, TIQ paid \$82,633 including GST in 2016-17 to KPMG to support the organisation in producing the whole-of-government strategy including involvement in the external consultation process and provision of economic modelling for the targets and initiatives.

Mr EMERSON: Thank you, Ms Greville. My next question is to the Under Treasurer, Jim Murphy. I table a newspaper clipping from the *Australian*. I seek leave to table that.

CHAIR: Is leave granted? There being no objection, leave is granted.

Mr EMERSON: I might provide Mr Murphy a copy of that, too. That would be handy for him, I suspect. He may recognise the article anyhow.

Mr Murphy: What is the topic? That would be helpful, Mr Emerson.

Mr PITT: While there is a gap, can I provide a very quick response to the member for Toowoomba South?

Mr EMERSON: There will not be a gap, do not worry, Treasurer.

Mr PITT: He asked earlier about the SPER debt. I wanted to provide that outcome. I did say I would give it during the hearing. The SPER debt pool as at 16 July 2017 is \$1,196,889,400.

Mr EMERSON: Mr Murphy, that article in the *Australian* indicates that you had done a formal deal with Adani in terms of royalties; is that correct?

Mr Murphy: I have not had the opportunity to read this. I do not do any formal deals with anybody. I am an official of the Queensland government, so it is not within my responsibilities to do any formal deal.

Mr EMERSON: Did you make any offer to Adani on behalf of the government?

Mr Murphy: I made, as it is noted there, a written offer of a royalty deferral plan, as guided by or advised by the government, to start official negotiations with Adani as to how they would make their investment and in terms of whether the government would be prepared to enter into some form of royalty relief or deferral.

Mr EMERSON: Did you formalise, shake hands or discuss the terms of that deal when you visited India with the Premier in March and met with representatives of Adani?

Mr Murphy: No. What we did do was have meetings with Mr Adani and the majority of his board of directors. We had some consultations but there was no offer, no deal struck, no formal exchange of correspondence or anything at that meeting.

Mr EMERSON: So the article in the *Australian* is wrong?

Mr Murphy: Yes.

Mr EMERSON: Can you outline the terms of those discussions? What was being discussed as a possibility?

Mr Murphy: The discussions in India, in Mumbai, were of a very general nature. The Premier had a number of the mayors from regional councils travelling with her. Actually, each of the mayors gave a presentation to the board of Adani corporation as to the benefits to Queensland or to their region of having Adani investing in Queensland. The majority of the meeting was taken up by the mayors of the regional councils presenting, which they did very well, I thought.

Mr EMERSON: Just to clarify for me, Under Treasurer—again, I refer to that article in the *Australian* that suggests you were the person who wrote to Adani outlining a formal deal. You completely deny that is the case?

Mr Murphy: No, no. If I recollect, before the meeting in Mumbai, negotiations had started with Adani on what would be acceptable to the government and what would be acceptable to Adani in terms of a royalty program. That is largely commercial negotiations. That is why I was asked by the government to do those negotiations. Of course, they are always commercial-in-confidence and without prejudice. It is not my responsibility to sign off on a deal with the Adani corporation.

Mr EMERSON: I appreciate what you are saying in terms of commercial-in-confidence. I would like to know, but I appreciate what you are saying. As indicated in that article in the *Australian*, you wrote to Adani on behalf of the government outlining what the Queensland government wanted—what the offer was from the Queensland government?

Mr Murphy: We set out the principles in terms of what we would be prepared to talk about. I would have to say that it was in general terms. It was nowhere near dollars or any type of arrangement. It was very much saying, 'These are the key things that the government would be looking for from the Adani corporation.'

Mr EMERSON: Given that you are talking in general terms that will not breach any commercial-in-confidence, can you please outline those principles that you outlined in that offer to Adani?

Mr Murphy: From recollection, the principles would be that they would have to be committed to investing in Queensland. They would have to give some formal time period for when they would start operations. They had to seek to come forward with a fulsome proposal whereby they had already organised substantial finance. It was noted at that time that they were in negotiations with the Commonwealth government in terms of the Northern Australia Infrastructure Facility. There was a list of points that we raised saying, 'You, Adani corporation, have to give us some assurance that you are really serious about this, serious about investing in Queensland.'

Mr EMERSON: I seek leave to table an article from ABC News.

CHAIR: Is leave granted? There being no objection, leave is granted.

Mr EMERSON: I might pass that on to Mr Murphy as well.

Mr Murphy: Yes.

Mr EMERSON: You recognise that report on the ABC?

Mr Murphy: Yes. I do not think I was at that meeting.

Mr PITT: I think it was in Townsville.

Mr EMERSON: I cannot see you in the photo. That is the one in Townsville.

Mr Murphy: I do not think I was at that meeting. There have been a number of meetings with Mr Adani.

Mr EMERSON: The article states—and I quote the headline—‘Queensland Government offers Adani mining group a “royalties holiday” that could cost the state \$320 million’. Again, is that article accurate?

Mr Murphy: No. Under the scheme that is being developed at this stage—and it is still being developed—all royalties that are due—and they are determined by the Office of State Revenue on the basis of the tonnage that is produced from the mine—will be paid to the government plus interest.

Mr EMERSON: That article at that point in time was inaccurate?

Mr Murphy: Yes.

Mr EMERSON: Obviously there was a lot media coverage subsequently.

Mr Murphy: There was a lot of misinformation about this whole thing. That is true.

Mr EMERSON: I am happy to be educated here, Mr Murphy, about what the facts were. Was an offer made to Adani at that point when this ABC report had come out?

Mr Murphy: No. It is a date thing, isn't it? There was no offer going to Adani which would cost the government in terms of millions or hundreds of millions of dollars in royalties. Always the proposal was that, in effect, ‘You, Adani, would have to pay your full royalties.’

Mr EMERSON: So the subsequent public brawl we saw amongst members of the Palaszczuk government did not sabotage or affect that agreement being talked about in this news report?

Mr Murphy: I am not aware of any. It is not for me to comment on the government's issues on—I was not aware of any issue in terms of that.

Mr EMERSON: Not aware of any issues in terms of—

Mr Murphy: Internal government processes at ministerial level about the Adani investment.

Mr EMERSON: You would have to be hiding under a rock not to be aware of those. It was all over the news for two weeks.

Mr Murphy: There are certain things reported in the *Courier-Mail*, but there you go. Who reads it? As I say, there is a lot of misinformation about the Adani—

Mr EMERSON: I think the *Courier-Mail* journalists who are listening today would hope that some people are reading it, and hopefully you are reading it too, Under Treasurer.

Mr Murphy: I do, for the misinformation.

Mr PITT: Did you work for both publications or just for the *Australian*?

Mr EMERSON: Just for the *Australian* and for the ABC. Finally, I have a question to the Treasurer. I notice today, Treasurer, that you have released new market-led proposal criteria—value for money, ability to deliver, ensuring that proposals identify infrastructure, direct negotiations. Can I point out that those comments and those points are all part of the LNP's market-led proposal released in February. Here is one I prepared earlier for your policy! I seek leave to table it.

Mr PITT: I will gratefully accept the tabled document, if leave is allowed.

CHAIR: Is leave granted? There being no objection, leave is granted.

Mr EMERSON: My question to you, Treasurer, is: given that we released our policy in February and I have just listed a whole series of criteria which are a part of our policy, when we raised the issue that your MLP policy was not working, you seem to have just adopted our policy holus-bolus.

Mr PITT: That is a nice cheap statement to make. I will say a couple of things. We on this side of the House and in government have created a framework for market-led proposals—

Mr EMERSON: We would have just given you ours.

Mr PITT:—which essentially left for dead the activities under the previous government. We can count on more than one hand the number that have actually progressed under our proposal. You could count on fewer than one hand the number of proposals that actually went anywhere under the previous

government. In terms of indicators of success, when you can get off the ground some of the proposals that we have and get them progressed through the state, I think you can start making some statements and having some chops. Until then, if you have a look at the \$512 million Logan Motorway enhancement, a project that may have even been of interest to the previous government but it could not get it across the line because it did not know what to do with it, I dare say that we have a very good framework.

Mr EMERSON: As I said, Treasurer—

Mr PITT: I would also point out to you—I am answering your question, member.

Mr EMERSON: Did you rip off the LNP policy? That is my question.

CHAIR: The member will allow the Treasurer to answer the question.

Mr PITT: I will also say that some of the key things here are to ensure that we get people coming to the government with very, very well developed proposals as opposed to coming and trying that and having a much longer period of uncertainty as to whether they fit into the scheme or not.

Mr EMERSON: Sounds like the LNP policy.

Mr PITT: It has actually been happening in practice for some time. We have just publicly announced the guidelines today. Again, we had ours first.

Mr EMERSON: It had the same guidelines as ours.

Mr PITT: It is a very simple equation. The member for Indooroopilly has never actually supported this. Essentially we have a very good framework under MLPs. I am very confident that the proponents who have engaged faithfully with the Queensland Treasury and the government more broadly have seen the benefits of that. As I stressed earlier, it is not simply about those which are a direct MLP outcome with an exclusive arrangement with government. It is the flow-on effects that happens into things like solar schools where we have taken that out to market because of the considerable interest, and there will be many more that will come in that vein. I am very comfortable with the success of MLPs that we have been able to do since we came to office. I expect that we will again see some great outcomes in the future.

Mr EMERSON: I do applaud you, Treasurer, in adopting the LNP policy.

CHAIR: The time for consideration of the proposed expenditure for the areas of responsibility administered by the Treasurer and Minister for Trade and Investment has now expired. On behalf of the committee I thank the Treasurer and departmental officers for their cooperation. The transcript of this session of the hearing will be available on the Hansard page of the parliament's website within two hours. Any questions that have been taken on notice should be provided to the committee secretariat by 10 am on Friday, 21 July 2017. The committee has concluded its examination of the matters relating to the Treasurer and Minister for Trade and Investment and related entities referred to it by the parliament. Before I conclude, on behalf of the committee I thank Hansard staff, the secretariat and the attendants for their assistance.

Mr PITT: Mr Chair, can I echo your sentiments and take a very brief opportunity to say thank you to the Queensland Treasury officials who have helped support my giving of evidence today before your committee as well as those from Trade & Investment Queensland. They have done a lot of work. We really do appreciate that. As I said, I echo your sentiments in terms of that. I thank you for the opportunity to appear before your committee. I value the estimates process greatly.

CHAIR: The committee will resume the examination of the proposed expenditure for the areas of responsibility administered by the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs at 6.30 pm.

Proceedings suspended from 6.03 pm to 6.30 pm

ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—EMPLOYMENT AND INDUSTRIAL RELATIONS, RACING AND MULTICULTURAL AFFAIRS

In Attendance

Hon. G Grace, Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs

Ms S Durham, Chief of Staff

Queensland Treasury

Mr J Murphy, Under Treasurer

Dr S Blackwood, Deputy Director-General, Office of Industrial Relations

Department of National Parks, Sport and Racing

Ms T O'Shea, Director-General

Queensland Racing Integrity Commission

Mr R Barnett, Racing Integrity Commissioner

Racing Queensland

Dr E Forbes, Chief Executive Officer

Department of Communities, Child Safety and Disability Services

Mr M Hogan, Director-General

Mr A O'Brien, Chief Finance Officer, Corporate and Executive Services



CHAIR: The committee will now examine the Appropriation Bill 2017 and the estimates for the areas of responsibility administered by the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs. On behalf of the committee I welcome the minister, the director-general, departmental officers and members of the public to today's hearing. The committee will examine the portfolio areas in the following order: Employment and Industrial Relations from now through to 7.45, Racing from eight to nine and Multicultural Affairs from nine to 9.30. The committee will suspend proceedings for a short break at 7.45, resuming at eight.

I remind those present tonight that the committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. It is important that questions and answers remain relevant and succinct. The same rules for questions that apply in parliament also apply in this hearing. I refer to standing orders 112 and 115 in this regard. Questions should be brief and relate to one issue and should not contain lengthy or subjective preambles, argument or opinion. I intend to guide the proceedings today so that the relevant issues can be explored fully without imposing artificial time limits and to ensure there is adequate opportunity to address questions from government and non-government members of the committee. 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 and food and drink is not permitted in the chamber. For the benefit of Hansard I ask officials and advisers to identify themselves the first time they answer a question referred to them by the minister or the director-general. Before I go on, I would also like to welcome Mr Jarrod Bleijie, shadow minister for employment, industrial relations, skills and training, shadow minister for fair trade and member for Kawana. I now declare the proposed expenditure for the areas of responsibility administered by the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

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

Ms GRACE: Yes. As employment minister, jobs will always be my No. 1 priority. It gave me great pleasure as part of the state budget to announce an extension of our highly successful Back to Work jobs program, which is now open to employers and workers in the south-east, backed by \$27.5 million in new funding to support up to 1,500 new jobs. The existing regional Back to Work program will also

receive an additional \$50 million, taking our total investment in Back to Work to \$177.5 million. Back to Work is already supporting—and this is up to 13 July—5,671 jobs. In regional Queensland, with almost 670 further applications pending, the program is well on its way to achieving its original target of 8,000 new jobs.

By any measure, our jobs record stacks up better in comparison to the LNP's record when they were in office. A total of 69,300 new jobs have been created in Queensland in trend terms since the state election. This is more than double the 29,100 rise recorded in the previous government's entire term. Employment growth has also strengthened in recent months to be 1.3 per cent, or 31,100 persons, higher over the year to May 2017. This is the second largest rise of any state over the period. In addition, Queensland employment is forecast in the 2017-18 state budget to grow by approximately 90,000 persons over the forecast period. Our successful industrial relations reforms include the passage of the new Industrial Relations Act which delivers on the Palaszczuk government's commitment to restore fairness to the state's industrial relations jurisdiction. The act introduces a number of significant new protections for workers in the state jurisdiction including a new entitlement of 10 days paid domestic and family violence leave. I am proud that Queensland has led the way by being the first jurisdiction in Australia to put this entitlement into law.

We are also leading the nation with the introduction of an Australian first labour hire licensing scheme. With the federal government failing to act, Queensland is leading the way nationally. We are targeting the dodgy operators who are ripping off workers and giving the industry a bad name. The year 2016-17 was another successful year for public sector bargaining with a further 20 agreements finalised across the Queensland public sector in line with government wages policy. This included large and complex negotiations with groups such as teachers, police officers and fire and emergency services workers. We also continue to stand up for Queensland workers in the federal industrial relations jurisdiction with Queensland government submissions to the Fair Work Commission in support of penalty rates and decent minimum wages. Our rates and our integrity related reforms are starting to deliver positive results for the industry.

Due to a number of financial and other issues, including the live baiting scandal, the Queensland racing industry was facing serious challenges. Racing Queensland has had to be underwritten to the tune of \$32 million and the greyhound live baiting scandal showed very clearly that the previous governance model needed updating. As recommended in the MacSparran report, we separated racing's commercial and integrity functions, creating a new stand-alone Queensland Racing Integrity Commission, QRIC. Headed by Commissioner Ross Barnett, QRIC has implemented stronger animal welfare protections, enhanced powers of inspection to integrity investigators and implemented strict licensing standards. The LNP fought tooth and nail against these important reforms. As an additional integrity measure and in a first for the racing industry, I can announce that QRIC integrity officers are now trialling the use of body worn cameras for use in the course of their duties including for the collection of evidence. I look forward to updates on the results of these trials. With QRIC now established, Racing Queensland and its new independent board can focus exclusively on the commercial side of racing and the results are already encouraging. RQ recorded a \$21 million loss in 2016 and it is forecasting a loss of approximately \$2.5 million for 2016-17. This improved performance is already delivering returns to the industry. Most noticeably, Racing Queensland announced a \$3.2 million increase in prize money for the 2017-18 season.

In the year since the passing of the Multicultural Recognition Act 2016, I have continued to work with our multicultural communities to build a more inclusive, harmonious and united, cohesive Queensland. We have established the Multicultural Queensland Advisory Council and also developed and released a new multicultural policy and action plan entitled Our story, our future. I am pleased to announce today that funding is now available for multicultural events that celebrate the state's diversity as part of our Celebrating Multicultural Queensland Grants Program. Applications under this program are today open. This is yet another initiative to support our multicultural communities.

Mr BLEIJIE: Welcome, Minister. You spoke about jobs in your opening paragraph. Speaking of jobs, under your watch, employment has decreased, unemployment in areas has risen, the participation rate has fallen, the jobless queues are longer, more people have given up looking for work, health and safety budgets have been cut and unions have an uncontrollable influence in your office. It is not a very good record, is it?

Ms GRACE: I think there are a number of imputations there, Chair, that are grossly inadequate. When you take into account the number of jobs created by this government in comparison to what the LNP created during their term from January 2015 to May 2017 trend employment in Queensland rose

by 69,300 persons. Let me repeat that figure: 69,300 persons. This is much stronger by any measure than the 29,100-person rise recorded in the previous government's term. When it comes to long queues for unemployment, they were longer under your government than what they will ever be under ours.

Employment growth has strengthened, and I mentioned figures of 31,100 persons higher over the year to May 2017. This is the second largest rise of any state. Jobs growth is forecast to strengthen. The trend unemployment rate was 6.3 per cent in May 2017, unchanged from the year earlier but 0.3 per cent lower than in January 2015. Even our unemployment rate is lower than yours. There are better prospects for mining these days. Construction, agriculture and tourism have experienced improving labour market conditions in several regions including the mining region of Mackay and the tourism centres of Cairns. Obviously, not all regions are benefitting, and we are well aware of that. We have programs that are aimed to target those particular regions. We understand that the opportunities in those regions are nowhere near the same as the opportunities in the south-east corner. We are embarking upon a number of programs to help create employment such as our Back to Work program and many of the other programs that are attached to other government portfolios. We stand by our record as opposed to yours on any measure. Our figures are way better than anything that the LNP produced in their three years of government.

Mr BLEIJIE: You will regret saying that by the end of this; I can assure you of that.

Ms GRACE: I bet you I will not.

Mr BLEIJIE: We will get to your stats and your budget in a second. I have a question with respect to the Back to Work program that the minister spoke about. I refer to page 3 of the SDS in relation to Back to Work. On 13 June 2016 in a media release you said—

The South East Queensland region is not eligible for funding under the scheme in recognition of the unique employment challenges facing regional Queensland.

I seek leave to table a copy of that press release.

CHAIR: Leave is granted.

Mr BLEIJIE: I have saved you the effort, Mr Chair, and provided nine copies to the committee. However, I suspect the minister knows about it because it is her press release. Given that this year's budget now includes South-East Queensland, is this an admission that the south-east now has the same unique employment challenges, or is it the fact that you forgot about jobseekers in South-East Queensland? If you recall last year I asked you about Sarah in your electorate of Brisbane Central and why Sarah who lives in your electorate was not entitled to a Back to Work payment, why she was not entitled to the same program that you were providing in regional Queensland. You dismissed Sarah's concern. Now in this budget you—

Mr POWER: Is there a question here or is this a speech? Point of order.

Mr BLEIJIE: If you want to start the protection racket, I think the minister is big enough to look after herself.

Mr POWER: The standing orders ask that people get to the question rather than make speeches or put arguments forward.

Mr BLEIJIE: I will get to the question when I finish reading the question.

CHAIR: I have to rule. I remind the member for Kawana that under standing order 112(B) the member may ask a question, not make a speech. I kindly ask you to get to the point.

Mr BLEIJIE: It is a long question; it is not a speech. Do you now say, Minister, that there are unique employment challenges or is it the fact that you forget about the job seekers in South-East Queensland like Sarah who I asked you about last year, including in your own electorate, in this year's announcement?

Ms GRACE: We have not forgotten about anybody. We make no apology—

Mr BLEIJIE: Just Johnny-come-lately.

Ms GRACE:—that the regional Back to Work program was targeted in the regions where the challenges were the greatest. It will continue in the regions with an injection of an additional \$50 million. We have made the decision to expand the Back to Work program to the south-east corner because we have seen the outstanding success in regional Queensland in embracing the Back to Work program. The extension of the Back to Work program for SEQ will build on the success of the regional program which has already helped thousands of disadvantaged Queenslanders into work.

The program in the south-east corner will target long-term unemployed and youth. The Youth Boost has been an incredible success since we launched it in December last year. We are extending this program because employers are speaking with their feet; they are embracing this program beyond any expectations. We make no apologies whatsoever that this was a regionally based program. In fact, when you consider that the regionally based employment opportunities are much more limited than in the south-east corner, I feel you are more worried about workers in the south-east corner where unemployment is much lower than workers in the regions or how the regional program is going to get those workers back to work. We have embarked upon extending this with \$27.5 million. It is about ensuring that we give the long-term unemployed assistance as they have been embraced by employers in the region—and the Youth Boost has been embraced significantly in the regions—up to 1,500 jobs are now going to be created in the south-east corner. We have trialled it in the region. It has gone beyond all expectations, and we welcome it now in the south-east corner with a budget injection of \$27.5 million.

Mr BLEIJIE: Minister, if it is going, in your words, 'so well' in regional Queensland that you applied it to South-East Queensland because, in your words, it is a 'tremendous, unbelievable, crazy' program that is employing all these people, why is it that the Townsville and outback Queensland youth unemployment rate is over 50 per cent now under your watch? It was 20 per cent; it is now over 50 per cent. This 'fantastic, crazy' program that you have introduced has seen unemployment in outback Queensland rise by 20 per cent, but the program is so good that you are now going to put it in South-East Queensland. I suspect that in 12 months time—hopefully you are not the Minister for Employment in 12 months time—we will be having the same conversation. If this program continues we will see youth unemployment rates in South-East Queensland at 40 per cent, because if you are using outback Queensland as the measure I put it to you that that is a terrible measure.

Ms GRACE: You are using outback Queensland as the measure; I am not.

Mr BLEIJIE: Minister, the ABS statistics reveal that outback Queensland has a youth unemployment rate of over 50 per cent. I can understand why the minister does not want to use outback Queensland as the measure, because if you use that measure your program is a complete failure.

CHAIR: Member for Kawana, ask a question and do not make a speech.

Mr BLEIJIE: As the employment minister, if you are not using youth unemployment numbers as the measure of success can you advise this committee what the hell you are using as a measure?

Ms GRACE: What we are using as the measure is that the youth unemployment rate is a lot lower than it was when you were in government.

Mr BLEIJIE: It is 53 per cent in outback Queensland.

Ms GRACE: When you were in government it was 14.1 per cent. The measure now is 13.6 per cent overall.

Mr BLEIJIE: It is 53 per cent in outback Queensland.

CHAIR: Member for Kawana—

Ms GRACE: If you would just listen, maybe I will educate you on labour—

Mr BLEIJIE: Point of order, Mr Chair. At the start of the estimates committee process the member for Logan talked about imputations. I suggest that if we are going to rely on imputations it applies to both sides of this table and not just one. If the minister is personally attacking the record of a former government—bearing in mind that we are here to discuss her government's budget—then I suggest that the rules of the House apply.

Ms GRACE: I am more than happy to answer the question, Chair.

CHAIR: There is no point of order and I ask the minister to continue.

Ms GRACE: What I was alluding to is that the youth unemployment rate as at May 2017 is 13.6 per cent. That is lower than the rate we inherited from the LNP, which was 14.1 per cent when we gained government. On any measure our unemployment rates are far superior to those of the LNP. We can cherry-pick statistics which we know are very volatile in these areas because it is a very small cohort of people who are surveyed in relation to the unemployment rate. We can cherry-pick all we want, but the main point is that our figures are lower than theirs. If you want to cherry-pick, I can cherry-pick areas such as Cairns, where the youth unemployment rate has decreased significantly. I notice that the member for Logan is nodding: the youth unemployment rate has also decreased in his electorate. We can cherry-pick all we want, but the reality is that our youth unemployment figures are far better than those we were left with by those opposite.

As for the outback and other areas, we know there are challenges. We know that these stats are volatile, and that is why we created the regionally based Back to Work program. We did not want those employers or workers to compete with the south-east corner. We wanted them to have the full amount of funds expended in those areas, which is exactly where it was meant to be targeted and spent. That is exactly what we have delivered. The ABS itself says that trend employment is the one figure that we need to have a look at. We can cherrypick stats all around, but at the end of the day our youth unemployment rate is lower than theirs was. We have a program that is putting youth unemployed into work, both on a permanent part-time or permanent full-time basis, directly with employers—not casually and not labour hire but directly with employers. That is one program of many such as Skilling Queenslanders for Work, Back to Work and others that together are about getting people back to work. We can cherrypick all we want here, but at the end of the day our youth unemployment rate overall is lower than what the LNP left us with.

Mr BLEIJIE: Speaking of cherrypicking, I note that the Queensland Treasury regional youth unemployment document dated May 2017 lists the 2016-17 youth unemployment rate in 20 areas in Queensland. In answering that question the minister has cherrypicked two out of 20 regions which just happen to have a different unemployment rate.

CHAIR: Member for Kawana, do you have a question?

Mr BLEIJIE: I do, Mr Chair. I seek leave to table a copy of the Queensland Treasury labour force region summary for May 2017.

CHAIR: Is leave granted? There being no objection, leave is granted.

Mr BLEIJIE: Minister, I have just tabled the Queensland Treasury labour force region summary for May 2017. It shows that employment has decreased, unemployment increased and the participation rate fell by almost one per cent in the last year, meaning that 3,400 jobs were lost, the jobless queue got longer, and in fact more people gave up looking for work. Which of the measures in that document do you think shows the success of your employment policies?

Ms GRACE: I think the figures that show their success is when we compare them to the figures that you left us when we gained government. As is shown here, the fact is that we have created 69,300 jobs since we were elected as against your 29,100. That is more than twice the amount you created over three years. I think it demonstrates that some of the programs the government has put in place are definitely working. We have a budget at the moment which we hope will create a large number of jobs not only in regional Queensland but throughout all of Queensland. We have targeted programs where we know they are needed most. We know that these figures fluctuate from time to time. We know that people like the member for Kawana like to cherrypick. This shows that we are trending in the right direction compared to what we were left with in January 2015. Our programs are working. They have been embraced. Thousands of workers are back to work because of the Back to Work program. I think the last figure I quoted was 5,671 as at 13 July. They are coming in all the time, and we have up to 670 applications pending, to be processed. These are the actions of the government in putting people back to work, particularly young people.

The Youth Boost has been remarkably successful. People thought that youth were not being employed by employers, but Youth Boost has shown that it has outnumbered the other side of the Back to Work program. The number of young people in work is greater than the number under the normal program. It has been very successful. We hope that in times to come these figures will reflect the work of the government. I am sure they will, but, as we know, these are volatile figures. They fluctuate from time to time, but when you get down to it our unemployment rate is far better than the one you left us when we were elected in January 2015.

Mr BLEIJIE: I refer to the SDS in relation to employment and Treasury where it talks about employment, creating jobs in Queensland and the fact that there was zero consultation with the announcement of the Back to Work program, which the estimates committee saw last year. I think the CCIQ went public on that. I have had a look at your ministerial diaries in the last six months, Minister. Noting that the Back to Work program has been extended to South-East Queensland and more money was given to regional Queensland, it appears that in your ministerial diary—and you can correct me if I am wrong—there are no meetings with the CCIQ. You talk about small business employing all these young people and taking up opportunities. There are plenty of meetings with union officials, but I cannot see any with the CCIQ.

CHAIR: Member for Kawana, do you have a question?

Mr BLEIJIE: Yes. How many times did you meet with the CCIQ about the Back to Work and youth jobs policies of this government in the last six months?

Ms GRACE: The last time I saw it, I have been out talking to employers that are employing people under the Back to Work program. I am actually out there speaking with—

Mr BLEIJIE: Point of order, Mr Chair. My question was how many times the minister has met with the CCIQ—

Ms GRACE: You had a very long preamble.

CHAIR: There is no point of order.

Mr BLEIJIE: My question is: how many times did the minister meet with the CCIQ?

CHAIR: Member for Kawana, there is no point of order.

Mr BLEIJIE: I will take that as a no—none.

CHAIR: I ask the minister to continue answering the question.

Ms GRACE: The CCIQ is not the only employer association in the state—

Mr BLEIJIE: It is the peak organisation.

CHAIR: Stop interrupting the minister, member for Kawana.

Ms GRACE: We have held a number of employment forums around Queensland. I have held backup, local jobs, first jobs and regional growth meetings. I held one in Townsville, the other one was in Bundaberg, and I am now scheduled to hold one in Cairns. Whenever I travel around Queensland I am out there on the ground meeting directly with employers that actually put people on. When we announced the extension of Back to Work I met with employers all over, from Logan to the south of Brisbane to Caloundra to the north of Brisbane. I met several employers who indicated a wide interest in putting on Back to Work people under Youth Boost or the normal program. When I get around I talk to the employers who are directly employing these people. CCIQ is but one employer association. In terms of my diary, I have calculated that the total number of employer associations I have met with is 90; the total for unions is 47. If you want to get my diaries out and have a read, I have them here. They are there and you can count them if you like.

My interest is in talking directly with employers who are interested in putting people on permanent full-time or part-time in their programs. They speak very highly of the program and they are the people I meet with. I have also met with peak employer associations from around Queensland, and I will meet with anyone who asks to meet with me at any time. Is there a request from the CCIQ to meet with me? I know that when they saw the Back to Work program they gave it a big tick. We held employment forums up and down the coast. To suggest for one second that this was done in secret or without consultation is preposterous. If you look at the number of employment forums and working cabinet subcommittees that were held around Queensland, to suggest that we did not consult and target and structure the Back to Work program based on those consultations is naive at least and clearly very wrong in the fullest of terms.

Mr BLEIJIE: I seek leave to table a copy of a *Courier-Mail* article dated 15 January.

CHAIR: Is leave granted? There being no objection, leave is granted.

Mr BLEIJIE: I table a copy of a *Courier-Mail* article titled 'Employment minister says youth unemployment "not new" and "not much you can change"'. I know that we have spoken about this before. Minister, how can you explain the youth unemployment level in outback Queensland of 53.9 per cent, an increase of nearly 20 per cent under your watch; the unemployment rate in Townsville of 21.6 per cent, an increase of 4.8 per cent under your watch; and the unemployment rate in Wide Bay of 24 per cent, an increase of 4.4 per cent under your watch?

CHAIR: Do you have a question?

Mr BLEIJIE: Minister, how do you explain those huge increases in youth unemployment under your watch? Is it because, as you said back then, there is not much you can do about it?

Ms GRACE: Chair, I explained this at the last estimates. As I was at pains to explain, that was taken out of context. I quote the mayor of London—

Mr BLEIJIE: Your quote was taken out of context?

Ms GRACE: I quote the mayor of London—

CHAIR: Please allow the minister to answer.

Mr BLEIJIE: Please, I'm loving it! Keep going.

Ms GRACE:—who recently said publicly, 'Let's not panic.' It was taken as though he was talking about the terrorist attack, but he was talking about the extra police on the street. People can be taken out of context. That was taken out of context, and I have continuously explained the manner in which that was said. I do not intend to go down that path with the member again.

Mr BLEIJIE: What about the youth unemployment rate of 54 per cent?

CHAIR: Stop interrupting the minister, member for Kawana.

Ms GRACE: Youth unemployment is a lot lower under us than it was under you. It was 14.1 per cent under—

Mr BLEIJIE: Point of order, Mr Chair. She has not answered my question.

Ms GRACE: I am answering the question now, Chair.

Mr BLEIJIE: How does the minister explain the 54 per cent unemployment rate in outback Queensland?

Mr POWER: Point of order, Mr Chair.

Mr BLEIJIE: No. I had a point of order.

Mr POWER: This is frivolous and destructive.

Mr BLEIJIE: I had a point of order before you.

CHAIR: Member for Kawana, I will deal with your point of order.

Mr BLEIJIE: Thank you, Mr Chair. I asked: how does the minister explain a 54 per cent increase in the outback—

CHAIR: No. What is your point of order?

Mr BLEIJIE: My point of order is relevance.

CHAIR: I am going to move to government members.

Mr BLEIJIE: My question is relevant. The point of order is relevance. The minister refused to answer it.

Ms GRACE: I have answered your questions in relation to the volatility of employment in Queensland.

CHAIR: Order, please! Minister, with reference to page 3 of the Treasurer's SDS and its reference to the Back to Work program, can the minister advise the committee on the key outcomes from the program in the first 12 months and whether it has met or exceeded its targets for supporting new jobs in the region?

Ms GRACE: I thank the honourable member for the question. The first 12 months of the Back to Work regional program has been remarkably successful as I have indicated a number of times. In the past 12 months the package has supported—I have the 30 June figures here—5,275 jobs, but in the two weeks as at 13 July that figure has jumped by about 400 to 5,671 jobs. Employers have successfully applied for the Back to Work employer support payment and the Youth Boost payment as well. This is well over halfway to the target of up to 8,000 jobs over two years we set in establishing this program which is a great achievement and which has, as I have said, exceeded all expectations. As at 30 June \$26.4 million has been paid to employers in first payments and a further \$50.9 million has been allocated for second and final payments which are subject to employers meeting ongoing eligibility requirements in particular continuous employment. The overwhelmingly majority of applications—87.3 per cent—have been received from small to medium sized businesses which is a great achievement. Clearly the Back to Work program has struck a chord with these businesses and is delivering on its objective of providing them with the confidence to take on a new employee.

I have visited these employers firsthand all over the state and they are singing the praises of this program and the workers themselves are absolutely enjoying unbelievably the work that they are doing with their employers. Back to Work has supported jobseekers right across regional Queensland in places as diverse as Bamaga, Emerald and Birdsville. Like I said, as I have visited regional Queensland I have had the pleasure of meeting many employers across all of the sectors. Back to Work is also assisting jobseekers from groups traditionally facing disadvantage in the labour market. In the first 12 months Back to Work has supported—these are the 30 June figures—3,280 young people aged 15 to 24, 676 mature-age workers aged 45 and over, 633 Aboriginal and Torres Strait Islander people, 365 people from culturally and linguistically diverse backgrounds, 1,842 long-term unemployed people and—I am particularly proud of this last figure—453 people with a disability have received work under

the Back to Work program. I remember being in Bundaberg and the person who was working with those people with a disability had never seen the market where employers were taking on people with a disability because of the support that was being given. She was overwhelmed by the program and what she was achieving. These are positive results and demonstrate the broad impact of the program. I look forward to further successes as the Back to Work program continues into its second year with additional funding. There is also of course the additional \$50 million. We are looking at providing an additional 3,400 jobs on top of the original target of 8,000. As I have indicated, the SEQ program of \$27.5 million will look at supporting up to 1,500 jobs.

Mr POWER: Minister, we have, as you have said, seen some encouraging unemployment news in the broader Logan area, but there are still persistent problems with young people who want to get a start in work and also people who have fallen out of the job market for an extended period of time. With reference to page 3 of the Treasury SDS in reference to the Back to Work program, can the minister outline why it has been extended to South-East Queensland and outline the key features of Back to Work SEQ?

Ms GRACE: I thank the honourable member for the question, and I guess in a nutshell it is because of the outstanding success in regional Queensland. Since we have announced this to be extended to the south-east corner, I visited employers in the north. I did quite an extensive small business visit in Caloundra and the Sunshine Coast area. I have been down south into other areas of Brisbane and even in Brisbane I visited a number of employers who are seriously considering putting people on. I visited Teys meatworks in your area and they have an outstanding diverse workforce down there made up of people from all multicultural backgrounds and they are very keen to be part of Back to Work, as were many small businesses on the main street of Caloundra that I visited while I was up there. The extension will build on the success of the regional program which has already helped thousands, as I have said, particularly those who are disadvantaged and unable to get work. Back to Work SEQ is designed to stimulate economic and labour market conditions, particularly for those long-term unemployed which your area, member for Logan, often has difficulty with. It is a very large multicultural CALD community and we really want to target those long-term unemployed and also young people in terms of getting them into jobs and trying to get them employed through this program as well.

We have decided that they face probably some of the biggest challenges, and that is why we have targeted those two cohorts to give employers the opportunity to take a young person on or someone who has been long-term unemployed. It is estimated that Back to Work SEQ will hopefully support 1,500 workers. As I have said, it is \$27.5 million. What we found that works extremely well with this program is that we put officers on the ground helping employers and jobseekers. Under this funding we intend to put two employer assistance officers and two jobseeker officers on the ground in the south-east. We are now finalising those, but we are looking in the west around the Ipswich area to have an officer on the ground who can help employers and workers, maybe one north, south and then we are looking at the east as well. We are looking to place them in a way where they are supported by departments and they will be able to connect jobseekers with employers in the south-east corner.

There has already been a lot of interest and earlier the member for Bundamba asked a question about the type of work that these people are getting. This program is eligible for permanent part-time and permanent full-time work, so it is not your casuals and your labour hire type. This is targeted for success in relation to those types of jobs, and I have met older women who have taken up Back to Work on permanent part time which suits them absolutely perfectly as well as those who have been put on in a full-time capacity. There is obviously an adjustment to the amount, but the minimum part-time hours are 20 hours per week and 35 hours per week make up the permanent full-time position. They are the cohorts that we are aiming for. We are hopefully looking forward to another set of successful statistics coming from the Back to Work program in SEQ. I am absolutely positive that that will be successfully accepted by employers here as well.

Mr POWER: I could not come down to Beenleigh with you because of my hard task master on the committee, but if you could come back to do further promotion of this in Logan West I would love to be involved in that.

Ms GRACE: I would be happy to do it any time, member for Logan.

Mrs MILLER: I have a question in relation to the prosecution that was launched by your department in relation to the department of transport about the Ripley overpass, so if I could direct the question to Dr Blackwood please.

Ms GRACE: Yes.

Mrs MILLER: Dr Blackwood, I want to congratulate you—

CHAIR: Excuse me, member for Bundamba, but my understanding is that you have to direct the question either to the minister or the—

Mrs MILLER: Yes, Dr Blackwood is on the list.

Ms GRACE: I am happy for you to direct it to me and I will pass it to Dr Blackwood for you, member for Bundamba, if that is the way to do it.

Mrs MILLER: Dr Blackwood is on the list as appearing. I just wanted to say thank you for launching that prosecution but, secondly, it is very close to people in my electorate. It is in relation to asbestos. People drive up and down the Cunningham Highway continuously and what I have been asked by people in my electorate is whether it is safe for people who have been travelling up and down the Cunningham Highway near that bridge. In other words, this bridge has had problems with asbestos, I understand, for many years and they are worried about their health and safety.

Ms GRACE: Thank you, member for Bundamba. I will ask Dr Blackwood to respond.

Dr Blackwood: The issue of exposure to asbestos in that instance where the department investigated it following complaints was in relation to work being undertaken on the bridge, so that was where workers were exposed to cutting of materials and that is why we undertook the investigation. Our view was that it was in relation to the specific work that took place over a period of time and other than that the bridge itself, if not disturbed, would be safe. It was the actual work that was undertaken and in particular in investigating if the work could have been undertaken safely if the proper protections had been put in place. Our investigation revealed that that had not been the case and that is why we took the prosecution. It was not so much the asbestos as the work practices that were used in that instance.

Mrs MILLER: This is an issue obviously for our local community. As we know, asbestos can carry in the wind. I know what you are talking about in terms of work practices, but I have an obligation to the people that I represent to ask whether or not you believe or the department has any view in relation to the health and safety of the local residents who live near that bridge. If not, would you be able to take it up with the health department please?

Ms GRACE: Thank you, member for Bundamba. Dr Blackwood, would you like to respond to that?

Dr Blackwood: Certainly if there were broader concerns about levels of asbestos in the environment, but we were just concerned at that point with the investigation as a result of the exposure—that is, because of the work undertaken on the asbestos sheeting it released the dust. That was our concern. We do not see that there would be any issues with the bridge if it is left in its current state. As you know, we work with the health department. There is asbestos sheeting in a variety of buildings. Our advice to people is to ensure that they do not disturb it and then if it is going to be worked on or removed then we have a lot of information out there about how that should be done in a safe manner to protect the workers.

Mrs MILLER: I think you are misunderstanding what I am saying. These are people who drive past this bridge every day. They want to know whether or not they could have been exposed in some way to asbestos dust. They are not workers; they are just ordinary families in our community.

Dr Blackwood: So your question would be about at that time when there was work being undertaken?

Mrs MILLER: That is right, and the work was undertaken there for many months. Can you check with the health department? That is all I am asking.

Ms GRACE: Thank you, member for Bundamba. We can check with the health department and we can get back to you no problems at all.

Dr Blackwood: Yes, we can do that.

CHAIR: Minister, are you taking that question on notice?

Ms GRACE: Yes, we will take that on notice and I am sure Dr Blackwood will provide the member for Bundamba a response about the health department's views on her question. Thank you.

CHAIR: Minister, with reference to page 3 of the Treasury SDS and its reference to the Back to Work program, can the minister provide the committee with information on how the program has worked for different demographic groups?

Ms GRACE: I thank the honourable member for the question. Like I said, this is the program that is really delivering in these targeted groups and we are very proud of it. As we now know, we have \$150 million allocated to the regional program and \$27.5 million allocated to South-East Queensland. It has been wonderful to see the figures come through. As at 13 July, we have 2,561 workers under the normal program and 3,110 workers under the Youth Boost. It is outdoing the normal program that we commenced. The Youth Boost has been very well received. We know that it is delivering very good numbers.

Of course, we want to see additional targeting of the long-term unemployed, additional targeting of young people, mature age and Aboriginal and Torres Strait Islander people. I have given figures before that demonstrate that this program has been very well received. In particular, as I said, 453 people with a disability have been employed under this program. It has been very well received.

As I said, we have jobseeker officers placed throughout regional Queensland. There are seven jobseeker officers and seven employer officers who are on the ground in various locations around regional Queensland. They are providing services directly to employers and to workers in connecting them. Since 1 June 2016, these officers have received about 1,500 inquiries. They have assisted clients to gain direct employment, noting that these Back to Work jobs or other employment opportunities have been hard to come by, but they have been there doing that. They have referred people on to further training. They have done an excellent job in making sure that the program is being delivered on the ground successfully. Employers are embracing it. Workers are embracing it. It has been successful, which is wonderful news.

As at 30 June, a total of 280 training commencements occurred and 111 training courses were completed. That falls under the training portfolio of the Attorney-General, but we are facilitating people obtaining that training by these officers on ground. As the program expands into South-East Queensland, as I said, I look forward to being able to report on the impacts of the program on disadvantaged jobseekers right across Queensland.

Mr POWER: With reference to page 3 of the Treasury SDS and the Jobs and Regional Growth Package, can the minister provide the committee with information on the Sticking Together project that is being piloted in Cairns, Townsville and Logan?

Ms GRACE: I thank the honourable member for the question. The Sticking Together program is going to interest you significantly. It is a fantastic program, where we hope to facilitate 90 young people in three locations. It is an innovative approach to reduce youth unemployment. It will be designed and delivered by SYC Ltd. The model provides intensive coaching and mentoring to young jobseekers and recently employed young people over a 60-week period. The program is going to be located in Cairns, Townsville and Logan in South-East Queensland. As I said, 90 young jobseekers and recently employed young people will participate in the pilot across three Queensland locations. The coach will also work with the employer. He came with us when we visited the Teys meatworks, which is located, I think, in the vicinity of your electorate, member for Logan. He thought it was wonderful, because they understand the cultural complications of some young people, particularly from CALD communities or an Aboriginal or Torres Strait Islander community. They are very impressed with the support, advice and help that they will obtain should they be part of this pilot program. They deal with situations that, without intervention, may place the employment relationship at risk of breaking down.

What we have learned from their model is that if you can keep a young disadvantaged person who has not worked for some time in a job for at least 100 days, they are on the right track to gaining that full-time employment and are able to be in jobs for a lot longer than that. It is a great program. We are piloting it, as I said, in three locations. The participants will be aged under 25 and have a number of barriers to employment. SYC will ensure that participants represent a broad mix of age, gender, ethnicity and employment history. The young people will be clients of Queensland and/or Australian government programs that assist young people to find work. Obviously, priority will be given to those young jobseekers who are accessing the Back to Work program. We can assist employers through that as well, with particular emphasis on those long-term unemployed and, of course, those young people who fit into that cohort to get the Youth Boost.

CHAIR: Minister, time has expired. I will pass back to the member for Kawana to recommence questioning.

Mr BLEIJIE: My question is to the Under Treasurer, Mr Murphy. What advice with respect to the Back to Work program did you give the minister and the government with respect to it applying only in regional Queensland at the last budget and now having it applied to South-East Queensland? What advice did you give the minister as to why Treasury would recommend that the government proceed with increasing the program to include South-East Queensland?

Mr Murphy: With all of these Back to Work programs, one has to look at the economics. We were first targeting the regional areas, because that is where we have had the transition out of the mining boom into a more services based economy. That was initially where we thought you should devote what are finite resources in terms of employment opportunities and funding for that program.

When the initial program was started, South-East Queensland was pretty strong on employment. We had rates of around 4.5 per cent unemployment, which is pretty good. Over time—and you will see that it is pretty obvious—there has been a softening in the labour market, especially in dwelling construction. That opens up the opportunity whereby you could provide some more stimulus into the South-East Queensland market in terms of employment. Largely, that is the reason for the change in the program.

It has been reasonably successful. In terms of these types of programs, especially with young people, you have a choice of what we are doing or you have further training—like educational programs. You can look globally at all the OECD reports on youth unemployment. What we see from a Treasury point of view, or a policy point of view, in getting people into work is that employers being paid to employ them, or contribute to the employment salary for up to 12 months, is probably the best training that you can do for young people. That is the rationale for it. As I say, it has been successful and it seems to be working well.

We have a lot of monitoring of these programs. We appreciate that it is taxpayers' money. You want to make sure that they work. We have learned from other states that have had some of these programs and have had many that have been successful. To answer, the reason we moved to South-East Queensland was that the economic conditions had softened in the employment market. We thought we had a good program working in regional Queensland and we will now also apply that to South-East Queensland.

Mr BLEIJIE: The reason it was not implemented originally in South-East Queensland was that there was a fairly good employment market, a good unemployment rate at 4.5 per cent?

Mr Murphy: Yes.

Mr BLEIJIE: The minister said earlier in the evening that she does not measure the success of the program based on the youth unemployment rate in outback Queensland.

Mr POWER: Point of order. This is putting an argument forward, not asking a question.

Mr BLEIJIE: I am about to get to the question. If you stopped interrupting—

Mr POWER: You have to ask the question. You are not putting forward an argument.

Mr BLEIJIE: Just like your preamble before. Earlier in the evening when I asked what the measurements of success were, the minister said that that was my measurement—in outback Queensland 53 per cent youth unemployment. Does Treasury measure the success of the Back to Work program in terms of taxpayers' dollars? Do you look at the youth unemployment rate? In outback Queensland now it is over 53 per cent since this program was introduced.

Ms GRACE: It is lower than yours.

Mr Murphy: One has to look at that number that you are quoting, the ABS survey. We think that the number—

Mr BLEIJIE: It is a Queensland Treasury document, actually.

Mr Murphy: Yes, but with the ABS survey we have to be very cautious in that it is a very small pool of people who are surveyed. In terms of outback Queensland, about 75 people have been surveyed. It is just a very small number. That is not resiling from the fact that outback Queensland, looking at it objectively, is going to be a very testing and challenging place to get youth into employment, especially with previously the mining boom going on and industry. That soaked up a lot of people.

Ms GRACE: And drought.

Mr BLEIJIE: Thank you, Under Treasurer. I refer to pages 13 and 14 of the SDS in relation to workplace health and safety services. I note that on page 14, with reference to the number of workplace health and safety incidents estimated in the budget papers in 2016-17, the target was 166. The actual was 187. The target for 2017-18 is in fact 190. Why is the target for workplace incidents increasing? Should we not be aiming to make our workplaces safer and have a decreasing number of workplace incidents?

Ms GRACE: I think you will find that the trend in not only workplace health and safety incidents but also the number of workers compensation incidents is definitely trending downwards. When we look at performance indicators, we have seen a 36 per cent reduction in the number of fatalities for workers

in Queensland workplaces—the largest reduction nationally. That has been over a number of years. Also, there is a 22.3 per cent reduction in the incidence of serious work related injuries across the priority industries, with manufacturing down 27.4 per cent, agriculture down 16.6 per cent, transport down 16 per cent and construction down 13.2 per cent. There is continued improvement in the rate of serious work related injuries and that is expected to continue. I will refer to Dr Blackwood, who has a more operational understanding of those figures.

Dr Blackwood: As you say, the performance indicators indicate that serious injuries and fatalities are declining. What the member for Kawana referred to there was the incidents reported. That is the number of workplace incidents. That may be just a reporting of people providing information about incidents. We investigate a wide range of incidents. They may not have resulted in an injury. It may be a complaint that we receive.

It is always a good sign to see that you have good incident reporting happening there—people are aware that they should be reporting those incidents—and then we are looking at the injury rates, which will indicate that we have a decline. The increase in incidents may not necessarily correlate with what is happening in relation to injuries and fatalities. That is what we would be saying is happening currently.

Ms GRACE: Thank you, Dr Blackwood. Member for Kawana, to sum that up, these figures are very encouraging. Even when the LNP was in government, they showed a steady decline in the number of serious incidents. I think that is good news for workers.

Mr BLEIJIE: Thank you, Minister. I refer to question on notice No. 13, to which you have provided an answer to the committee. I note that, with reference to the Workplace Health and Safety budget, your answer states that in 2015-16 the budget was \$63.6 million. In the 2016-17 period for Workplace Health and Safety it was \$62 million. There has been a \$1.6 million cut. Then in the 2017-18 budget it says under 'Estimated Budget' in the table \$63.4 million but just before that it says the estimated budget is \$63.7 million. Which is correct? Is it \$63.7 million or \$63.4 million?

Ms GRACE: The \$63.7 million, my understanding is, the budget for 2017-18.

Mr BLEIJIE: So the answer to the question on notice is incorrect.

Ms GRACE: For 2016-17 it says here it is \$63.7 million.

Mr BLEIJIE: No, it says in 2017-18 the estimated budget is \$63.7 million and then if you go down further in the actual table—

Ms GRACE: \$63.4 million. Sorry, I am not sure. I did not realise that there was a difference. Are you saying .7 or .4? Is that what you are referring to?

Mr BLEIJIE: I am saying your answer has two different figures and I am asking which is correct. What is the budget for the Workplace Health and Safety Office in 2017-18?

Ms GRACE: I apologise if there was a wrong figure given.

Mr BLEIJIE: I do not know. I am trying to work out which the right figure is.

Ms GRACE: If you would just give me a chance and just calm down.

Mr BLEIJIE: I would have thought the Queensland Treasury would know the figure.

Ms GRACE: Can I confirm that the figure is \$63.4 million. I apologise that it had \$63.7 million. It was meant to be \$63.4 million. That is the correct figure. Clearly it is typographical error. No-one is trying to mislead you. My understanding from the figures that Dr Blackwood has given me and the Under Treasurer is that it is \$63.4 million.

Mr BLEIJIE: In that case the 2015-16 period, the \$63.6 million is correct and the 2016-17 period of \$62 million is correct?

Ms GRACE: Yes. My understanding is that they are correct. I am trying to get them checked for you. If it is that important I am getting them checked.

Mr BLEIJIE: It is \$63 million of Queensland taxpayers money so I think it is pretty important to have the figures correct.

Ms GRACE: I am trying to check them for you.

Mr BLEIJIE: It is a \$1.6 million cut from the previous year so I am pretty sure that is important too. If you want to take that on notice and get Treasury to look at that, that is fine.

Ms GRACE: There is nothing to take on notice.

Mr BLEIJIE: You have the answer? Is it correct?

Ms GRACE: I am telling you that we are trying to get them confirmed. My understanding is that the figures that you have quoted are correct.

Mr BLEIJIE: I am not quoting them. They are your figures.

Ms GRACE: The figures you have said are correct.

Mr BLEIJIE: Apart from the \$63.7 million.

Ms GRACE: Which I have already answered and said there was a typographical error and it is \$63.4 million. It has already been answered.

Mr BLEIJIE: Is the minister now required to correct the question on notice answer that she has given to the committee?

Ms GRACE: I am more than happy to do that.

Mr BLEIJIE: Thank you. We have worked out that the budget is \$63.7 million.

Ms GRACE: \$63.4 million.

Mr BLEIJIE: The previous year was \$62 million, the previous year before that was \$63.6 million and what I would now like to ask is with respect to that, there has been a campaign recently, and I seek leave to table a copy of a *Courier-Mail* article.

CHAIR: Leave granted

Mr BLEIJIE: This article is dated 13 July and it is titled—

It's a disaster!

Health and safety neglected under Grace Grace's watch.

CFMEU letterbox campaign: Union turns on its own ministers.

It says in this article—

Industrial manslaughter laws not implemented.

Foreign employers allowed to ignore health and safety laws.

Soft regulator continuously fails to enforce health and safety laws in Queensland.

WHSQ Best Practice Health and Safety review corrupted by biased terms of reference.

Is the CFMEU's campaign against you as Minister for Employment, and their allegations, considering that there has been a cut in the previous year for the Workplace Health and Safety Office? Is there any truth to this campaign that I understand the CFMEU are letterbox dropping into your electorate?

Ms GRACE: If you are asking me if it is to do with the cut to the budget the answer is no.

Mr BLEIJIE: You have just said the figures are true, the 2015-16 period of \$63.6 million—

Ms GRACE: From what I understand, the question was is the campaign of the CFMEU, from my understanding of your question, based upon some made up cut that you have just indicated to the budget. My view is that that is not the case.

Mr BLEIJIE: Thank you. I take objection to the made-up cut. The minister's answer to the question on notice says in 2015-16 it was \$63.6 million, in 2016-17 it was \$62 million. When I went to school \$62 million was less than \$63.6 million.

CHAIR: Can you move on. You are debating the answer.

Mr BLEIJIE: Yes, but the minister has just said the figure is incorrect. I take offence at what she has said. I am not making it up.

CHAIR: Is there a question?

Mr BLEIJIE: I take offence. I ask her to withdraw the comment. I am not making figures up. It is her answer to the question on notice.

Ms GRACE: I have answered your question. No.

Mr BLEIJIE: My next question is with respect to union intimidation and bullying with respect to the minister's responsibility for industrial relations, noting that unions are industrial organisations registered under the IR Act. I seek leave to table a copy of a letter.

CHAIR: Leave is granted.

Mr BLEIJIE: This letter is a letter that I have received from the federal Minister for Employment Michaelia Cash, George Brandis, Attorney-General, and Michael Keenan, the Minister for Justice dated 4 April 2017. I am advised it was sent also to the Premier and yourself as Minister for Industrial Relations. This letter talks about the Royal Commission into Trade Union Governance and Corruption uncovering widespread and deep-seated criminality and misconduct amongst trade unions and the employers with which they deal. This was just a small tip of an enormous iceberg, the letter says.

CHAIR: Is there a question?

Mr BLEIJIE: There certainly is but I am allowing the minister time to get the letter and she will be able to better answer it once she has it.

CHAIR: You can still ask your question.

Mr BLEIJIE: Thank you. I am getting to it. The letter goes on to say that it is very concerning and they have written to the Premier and the police minister because the police task force—

Mr POWER: We can read the document. What is the question?

Mr BLEIJIE: I will get to the question if you do not interrupt me. Apparently Queensland Police has recently advised the Commonwealth that it would no longer participate in the task force. Have you responded to this letter that you received from the federal government with respect to union corruption and the Queensland Police task force?

Ms GRACE: My understanding is that we are developing a response to the letter and we will be responding in due course. So, yes, I will be responding in due course.

Mr BLEIJIE: You received the letter in April. It is a few months later and you have not responded to the federal government with respect to an important issue of union corruption.

Ms GRACE: It was not only written to me, it was written to several ministers and, as I said, we will respond in due course.

Mr BLEIJIE: Have any of them responded, do you know?

Ms GRACE: You should ask that question to them.

Mr BLEIJIE: I thought they might cc you in like they have cc'd everyone else in.

Ms GRACE: You might think wrong.

Mr BLEIJIE: I doubt it, but I take it you have not responded.

Ms GRACE: That is how I answered the question, member for Kawana.

Mr BLEIJIE: I know how you answered the question. You are not answering it. That is fine. With respect to the Work Health and Safety Board and the WorkCover board, Mr Murphy, can you advise me please how the new board members were appointed? What were the terms of reference and who was on the selection panel for the appointments, please?

Ms GRACE: It is really not under the jurisdiction of the Under Treasurer, it is under the jurisdiction of the minister.

Mr BLEIJIE: I take that. The Work Health and Safety Board and WorkCover board you have said is not in the jurisdiction of the Under Treasurer. They are covered in Treasury's documentation and the SDS.

Ms GRACE: I understand that, but it is the minister that makes the recommendations to the cabinet in relation to that.

Mr BLEIJIE: Mr Chair, I am allowed to ask a question of the Under Treasurer and I am asking the Under Treasurer. I doubt the minister sits in her office and develops the terms of reference for the appointment or the selection panel. I suggest that comes out of the Department of Treasury. Mr Murphy, my question is what was the role of Treasury, who was on the selection panel for both the Work Health and Safety Board and the WorkCover board, who was on the panel, what were the terms of reference and was it a merit based selection process for all those appointees?

CHAIR: There are about four questions there.

Mr BLEIJIE: It is about the two boards and the whole accountability and integrity around the selection process.

Mr Murphy: On the WorkCover Queensland Board I was a member of the selection committee that—

Ms GRACE: That is the CEO. This is the board.

Mr Murphy: The board was a cabinet appointment. You have asked a number of questions in terms of process. I think it would be best to take it on notice and we will set out the process that was undertaken.

Mr BLEIJIE: Minister, are you happy to take that on notice for both boards?

Ms GRACE: I am more than happy to answer the question. I am the one who takes these appointments to cabinet.

Mr BLEIJIE: But Treasury give you the advice.

Ms GRACE: I am the one that makes recommendations to cabinet. They are significant appointments and they have been appointed by cabinet in the case of the WorkCover board. I am more than happy to answer the question. There is no need to take it on notice. There are four current directors that were reappointed: Ms Flavia Gobbo, Ms Ros McLennan, Mr John Crittall and Mr Ian Leavers, two of whom have taken over the position of chair and deputy chair. The other appointees, and I am more than happy to go through them, are Ms Kerriann Dear, Mr Michael Roche, Ms Lyn Rowland and Mr Ben Swan. Ms Alison Quinn, CEO of Retire Australia, was appointed but due to changes in her employment situation she has recently unfortunately, very sadly had to resign. We appointed Jemima Dunn from the AI Group to the Work Health and Safety Board. Jemima Dunn has had a change of employment, she is now with the South Bank Corporation, she no longer represents the AIG Group so she has also resigned as an AIG representative. That happens from time to time. We are very disappointed we are unable to retain them. They were appointed by Governor in Council. They were taken to cabinet.

In relation to the Work Health and Safety Board, I appointed a new Work Health and Safety Board for a three-year term until 7 May 2020. The appointees are as follows: Dr Linda Colley is the chair, we have Royce Kupsch, Ms Kate Ruttiman, Sandra Eales, Ben Swan, as I said Jemima Dunn from the AI Group has actually resigned, Ms Melanie Roberts from the Master Builders, Mick Crowe, David Foote, Bruce Watson, who is the CEO of WorkCover Queensland, Patrick Murphy, chair of the Safety Institute of Australia and Jennifer Robertson, consultant in relation to board matters. I know Jemima was very upset, but she has taken up a new position which I am sure she is going to enjoy. She was an excellent member at the time. We are working with the AI Group to renominate their representative on the Work Health and Safety Board and we are looking to replace Ms Alison Quinn as well who, for employment reasons, was also unable to take up that position. There are changes in people's lives. That happens. They are very disappointed, but that is the way it is.

CHAIR: Could I now pass over to the member for Bundamba. I note that there are three minutes left.

Mrs MILLER: In relation to the New Acland Coal Mine up around Oakey and the possibility that the expansion may not be approved—that is the expansion known as NAO3—I would like to ask as Minister for Employment what impact the loss of some 500 direct jobs at that coalmine would have on the regional economies of Oakey, Toowoomba and Ipswich—there are a number of miners who live in my community who work at New Acland—and what planning is in place for a package of assistance for those coalmining families and those communities? I am happy for you to take that on notice given the time.

Ms GRACE: I can give you some quick response, member for Bundamba, because I know it is dear to your heart and of course we would not want to see any jobs lost due to that happening. Obviously it is under Minister Lynham's portfolio, but as employment minister of course we do not want to see that many jobs being lost in a region such as yours. I know that he is considering the recent decision of the Land Court. Clearly when he is in front of estimates you can have further discussions with him, but we always activate the rapid response team in relation to these issues. They are clearly on standby to assist wherever possible those workers. We are hoping we do not have to deploy the rapid response team and that those people can maintain their positions with the Acland mine. That, as employment minister, would be something that I would like to see, as would yourself. I know you have a special interest in relation to it.

Potentially, there are a number of jobs at risk. I know that the government is looking at this. I know Minister Lynham is looking at this sensitively. We would deploy the rapid response team, as we have in other areas, to assist them should it come to the point where they are having to look for other employment or whatever. We hope it does not come to that, but we will be able to give assistance such as we gave QNI workers in Townsville. Exactly the same assistance would be happening down at Ipswich. We gave similar assistance to the Stradbroke Island workers, as well.

CHAIR: The committee will now adjourned for a 15-minute break. This concludes the committee's consideration of the minister's portfolio area of Employment and Industrial Relations. I thank department officers from Queensland Treasury for their cooperation during the session. The hearing will resume at 8 pm to continue the examination of the estimates for the areas of responsibility administered by the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs

Proceedings suspended from 7.45 pm to 7.59 pm



CHAIR: I welcome Mr Jon Krause, the shadow minister for tourism, sport and racing and member for Beaudesert. Welcome back, minister and officials. The committee will now examine the racing portfolio of the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs. I call the member for Beaudesert to commence questioning.

Mr KRAUSE: Minister, I refer to page 8 of the SDS in relation to policy advice and the viability of the racing industry. What is the cost of the review into the surface of Eagle Farm and who is paying for that review?

Ms GRACE: No-one is more keen to get Eagle Farm, pardon the pun, back on track than not only the BRC but also Racing Queensland and myself as minister. My understanding is that we will do what we can to ensure that the direction I issued to Racing Queensland is carried out. Under that direction, Racing Queensland now has coverage to ensure that the Eagle Farm track is brought back to its original and best condition, fit for purpose for the industry. Any amendments, changes or expenses that come from that will be paid by Racing Queensland. Quite clearly, from a reputation point of view it is important that our premier racing track is up to speed. It became apparent that it was not when the track was run on—I am trying to ascertain the date in the information that I have before me—on 28 May. Racing Queensland issued a control-body direction to the Brisbane Racing Club to move the Queensland Oaks and the Stradbroke Handicap to Doomben because of the possible reputational damage as the track was not up to speed.

Mr KRAUSE: Is Racing Queensland going to pay for the review?

Ms GRACE: Yes, Racing Queensland is doing the review and it is paying for the review. Of course, any remediation work that is required on the track following the intensive review and all of the testing that is going on will come out of the Racing Infrastructure Fund.

Mr KRAUSE: How much is the review going to cost?

Ms GRACE: Dr Forbes, do we have a figure at this stage? We have appointed Dale Monteith to conduct an independent review. He comes with extensive experience. We wanted the best, to ensure we can get this track right. To date, I think a total of about 169 separate tests and samples have been carried out. We want to ensure we get this track up and running as soon as possible. Racing Queensland is working closely with all stakeholders to ensure we get this work done as a matter of priority. The direction that I issued asked them to rectify the works to be undertaken as a matter of priority. I want them to provide me with timelines for the completion of any rectification works, including regular updates on the progress of the works and, of course, any ongoing maintenance programs that will be in place to ensure that Eagle Farm's racing surface remains fit for purpose. Those costs will be paid by Racing Queensland. Any rectification work on the track will come out of the Racing Infrastructure Fund.

Mr KRAUSE: How much for the review itself? Do you know how much that is contracted for, with Mr Monteith?

Ms GRACE: I do not have that figure in front of me, but I will turn to Dr Eliot Forbes, who is the CEO of Racing Queensland, to provide you with further information.

Dr Forbes: The review is still ongoing. Quite considerable testing has been going on. We have not been invoiced for that yet.

Mr KRAUSE: So you do not know yet? Okay. Minister, why did it take you so long to act in relation to Eagle Farm? Issues that were identified were raised last year, which was from the day that Eagle Farm opened. Why did it take you so long to act on Eagle Farm?

Ms GRACE: It did not take me long to act at all. We acted immediately when the track was viewed to be not fit for purpose. In relation to this, I remember speaking almost instantaneously to Dr Eliot Forbes, the BRC and other stakeholders. I issued a direction on 5 June. There were rumours in the industry that the track was not operating effectively, but they were only rumours at that point in time. It became apparent that it was not fit for purpose on 28 May and I issued a direction on Monday, 5 June.

We took remedial action straightaway in reallocating the remaining races to the Doomben track, which was the right decision at the time. We have taken immediate action, as a priority, to get the Eagle Farm track operating, fit for purpose, as soon as possible. We have engaged Mr Dale Monteith, who is undertaking a number of tests—

Mr KRAUSE: We heard that before, Minister.

Ms GRACE: You have asked a question; let me answer it.

Mr KRAUSE: You gave us this information before.

Ms GRACE: He has undertaken a number of tests in relation to that. We acted appropriately and speedily and we will get this done. If you want me to go through the history of Eagle Farm you are 12 months out of date, because it was under your government that this track was originally laid, back in 2014. The then treasurer and member for Clayfield, Mr Tim Nicholls, talked about the new track being laid et cetera. You reap what you sow.

Mr STEVENS: I raise a point of order. We are not looking for a speech in answer to a question. It is out of order. It has to be relevant under standing order 118. The question was not asked previously. This track maintenance program was not even thought of when we were in government.

Ms GRACE: Excuse me, Chair, but they may not like the answer. Unfortunately, they are going to get the answer that they have asked for. My response is most relevant. We are talking about acting in relation to the track. You are suggesting that we are 12 months behind in acting. I am answering that question and my answer is relevant. You want to lay blame for where this track is at, but I am not interested in laying blame; I am interested in fixing it and getting an outcome for Eagle Farm.

CHAIR: Minister, I have to address the point of order. Minister, I remind you that you may answer the committee's question however you see fit, as long as your answer is relevant to the question.

Ms GRACE: It is most relevant.

CHAIR: For the benefit of the committee, can you clarify the relevance of your answer to the question?

Ms GRACE: The question that was asked of me was: why did we take so long to act when the state of the track became apparent to us on 28 May? The implication is that 12 months previous the track had problems and we failed to act. I am relevantly demonstrating that the accusation contained in the question is incorrect. That was not the case. This was done by the previous government. If anyone is to blame for the shortcuts that were taken on the Eagle Farm track, it rests squarely with your government.

Mr KRAUSE: Minister, we will move on from that issue—

Ms GRACE: Yes, I suggest you do, because I would love to prolong it.

Mr KRAUSE: Minister, has Racing Queensland exceeded or failed to meet wagering performance targets for the thoroughbred code in 2016-17?

Ms GRACE: My understanding is that wagering is up in relation—

Mr KRAUSE: The wagering performance for the thoroughbred code only, in 2016-17.

Ms GRACE: My understanding is that it is up 12.8 per cent for that year end. That is wagering performance that is up. We have had excellent results from the summer carnival and excellent results from the winter carnival. My understanding is that, overall, it is up 12.8 per cent for the year.

Mr KRAUSE: For the thoroughbreds?

Ms GRACE: Yes.

Mr KRAUSE: Minister, when do you expect Eagle Farm to be fully operational?

Ms GRACE: As soon as possible and as soon as practical.

Mr KRAUSE: Of course, but when?

Ms GRACE: I have issued a direction under which I have asked for regular updates and a full and comprehensive report on the state of the track. That is due to come to me towards the end of this month, on 28 July. Dr Eliot Forbes has asked for a couple of extensions, due to testing and the time that has taken, and I think some bad weather prevented some testing from occurring. The direction is clear: they need to correct or rectify the track as soon as possible and they are to give me regular updates. The first report is due to me on 28 July. We hope that by then, under the stewardship of Dale Monteith and all of the stakeholders, we will have a projected time frame—

Mr KRAUSE: At the moment you do not have one?

Ms GRACE: Everybody is keen to have this done and rectified as soon as possible.

Mr KRAUSE: But you do not have a date at the moment?

Ms GRACE: Of course, it depends on the solution. Grass has to grow. It takes time. I am positive that we will get the outcome that we want for Eagle Farm, because that is what we want. We want our premier racetrack to be racing at that standard. It is unfortunate that we are in this position. If you want me to give the history about why we are here, I am more than happy to do that, but I can tell you that I am more concerned about getting the right outcome. I know that Racing Queensland is. I know the BRC is. I know that all of the stakeholders are. That is what we are working towards. That is what my direction asks for and that is what I will be provided with.

Mr KRAUSE: Members of the committee, I seek leave to table an article from the *Courier-Mail* of recent times indicating that the review into Eagle Farm may be delayed.

CHAIR: Is leave granted? Leave is granted.

Mr KRAUSE: Minister, has there been a delay in the implementation or the undertaking of the review into Eagle Farm?

CHAIR: We will pass a copy of the article to the minister.

Ms GRACE: As I said, I will be receiving a report on 28 July. I understand that there was possibly a week's delay due to the weather situation and the need to obtain further testing. However, everybody is working towards making this track fit for purpose as soon as possible.

Mr KRAUSE: It may have been delayed for about a week or so?

Ms GRACE: Yes, there may be delays because of weather or testing that has not come back on time or whatever. However, all stakeholders, including myself, Dr Eliot Forbes from Racing Queensland, the Racing Queensland board and the BRC chair and board are all very keen to see the rectification of that track as soon as possible. You are reading something from a rumour section of the *Courier-Mail*. I have explained to you that I am going to get a report on 28 July. I have issued a ministerial direction.

Mr KRAUSE: You said there was a delay of about a week or so.

Ms GRACE: It was the first direction that I have issued in relation to this. If you want to pick up a rumour from the *Courier-Mail*, go right ahead—

Mr KRAUSE: Sure, but you said that there was a delay, Minister.

Ms GRACE:—but I am more than happy to let you know that there has been about a week's delay due to the weather. My understanding is that we are working with Dale Monteith to make sure that this track is rectified—

Mr KRAUSE: We have heard that, Minister, thank you.

Ms GRACE: I am sorry, but I am answering the question. Chair, I am allowed to answer a question. The member may not like what he is hearing, but I will answer the question without interruption.

Mr KRAUSE: It is just that I have heard it three times already, Minister.

Ms GRACE: Every time I answer the question there is an interruption, which is rude.

Mr KRAUSE: It is because I have heard it three times, Minister.

Ms GRACE: It makes me lose my train of thought and it is totally unnecessary. You have asked a question and I am answering it. There are weather implications. I have been informed that there has been a week's delay. I suggest that you do not listen to the rumour mongers. If you want the full details, I suggest you ask a question on notice when parliament resumes.

Mr KRAUSE: Minister, can you categorically advise whether Racing Queensland or the Brisbane Racing Club was the responsible entity for the implementation of the Eagle Farm track improvement project? Was Racing Queensland or the Brisbane Racing Club the responsible entity for the implementation of that project?

Ms GRACE: Of the review?

Mr KRAUSE: No, of the Eagle Farm track redevelopment.

Ms GRACE: It was back in 2014. I was not the minister at the time. It was under your government.

Mr KRAUSE: Can you categorically advise who the responsible entity was?

Ms GRACE: It was under your government that this track was done. My understanding is that the member for Clayfield made the big announcement about the track being laid.

Mr STEVENS: I raise a point of order. There is a clear, answerable question: is the track adjustment project the responsibility of Racing Queensland or the Brisbane Racing Club? The question is quite simple.

Ms GRACE: With all due respect, Chair, I was not minister at the time that this occurred.

Mr KRAUSE: But you are now, Minister.

Ms GRACE: I can only go by the advice that was given to me at the time. My understanding is that clubs put in their bids for various infrastructure funds. The Brisbane Racing Club clearly had to have a new racetrack. The application is done by—

Mr KRAUSE: That is not the question. The question is: who is the responsible entity, Minister? Do you not know who the responsible entity is?

Ms GRACE:—the racing club, which puts in the request for the application for the RIF.

Mr KRAUSE: My question is: who is the responsible entity for the implementation of that?

Ms GRACE: Both. Both would have been, because one would have made the application and then Racing Queensland would have supported and provided whatever funding was required in relation to the track. This has an historical basis. I was not minister in 2014 when you guys cut the budget that allowed them to put down a track that did not stand the test of time.

CHAIR: Minister, I need some clarification.

Mr KRAUSE: Move on.

CHAIR: I understand the member will ask the next question.

Mr KRAUSE: So we are not taking the point of order?

Mr STEVENS: Ask another question.

Ms GRACE: I suggest you do.

Mr KRAUSE: Minister, you confirmed that you do not know who is responsible. I will refer you to page 8—

Ms GRACE: I will not be verbally. I did not confirm that I did not know who was responsible. I have told you—

Mr KRAUSE: You did not want to answer the question.

Ms GRACE:—and I will answer this question. The BRC would be putting in the application to have their track done. Racing Queensland at time—I am assuming because I was not there at the time and I was not the racing minister; the LNP was government—would then be the principal contractor because they then apply for the funds under the RIF. Under the RIF the government then provides the funds to build a track. My understanding is that there were cuts upon cuts in relation to the money that was given to the Racing Queensland board at the time, which I did not appoint—it was appointed under your government. That then meant cutbacks when the Eagle Farm track was laid. We now see the condition that it is in.

If you want the real answer it is this. A club puts in a request. Racing Queensland is the principal body that handles this. It is then returned to the club. That is the manner in which racing infrastructure funding takes place. It happened under your government.

Mr KRAUSE: I refer to page 8 of the SDS in relation to racing infrastructure. I refer to the costs of the plans to redevelop Albion Park, which were provided in question on notice No. 17, at almost \$1 million in 2016-17. That is enough for an extra \$6,000 in prize money at 151 races across Queensland, including \$780,000 for consultancy fees, \$4,300 in council fees, \$90,000 in planning fees and \$34,500 in legal fees. Has the minister approved these plans and if not does she endorse Racing Queensland testing the market in such a manner?

Ms GRACE: Absolutely. Racing Queensland is charged with running Racing Queensland on a commercial basis. Albion Park is one of Racing Queensland's primary assets. It is wholly owned by Racing Queensland. It has an estimated site value in the many millions of dollars. After consulting with participants Racing Queensland identified that commercial outcomes can be improved in South-East Queensland and at Albion Park in particular.

At the moment they are obviously protecting their balance sheet in terms of the value of Albion Park. Acting on a commercial basis they are fully entitled to do that. That clearly comes at a cost for a very high-value piece of real estate that is owned by Racing Queensland. The valuation is somewhere between \$100 million to \$250 million. That is a very large asset.

Racing Queensland is doing the right thing by ensuring the value of Albion Park is sustained and maintained in their balance sheet. There was no need for me to approve the funding request because I only approve funding over \$1 million. The amount spent on protecting the value of Albion Park in the balance sheet was not in excess of that amount. I fully support—

Mr KRAUSE: Minister—

Ms GRACE: Chair, could I please answer the question without continually being interrupted? I was asked a question on Albion Park and I am attempting to answer it.

Mr KRAUSE: You have answered my question, Minister.

Ms GRACE: I will decide when I have answered the question, with all due respect.

Mr KRAUSE: I am asking the questions here, Minister.

Ms GRACE: I do not think that it is up to you to decide when the question is answered.

Mr KRAUSE: If I am satisfied with the answer is that not the answer?

Ms GRACE: No.

Mr KRAUSE: Do you want to ask the questions too, do you?

CHAIR: It has been a long day. It would be helpful if people stopped interjecting over each other. It is making it very difficult to follow what is going on for a start.

Ms GRACE: I am continually being interrupted and stopped by the member for Beaudesert. If he would stop that—

CHAIR: Minister, continue with your answer.

Ms GRACE: I know that Racing Queensland has provided me—

CHAIR: Time has expired for non-government question. I will now move to government questions. In relation to page 8 of the NPSR SDS and the administration of racing infrastructure projects across the codes of racing, can the minister outline the country and regional works program recently announced, what the process was for determining projects and what the process will be for determining projects into the future?

Ms GRACE: This government is getting on with the job of delivering new and improved racing infrastructure across this state. I am pleased to announce that there will be a \$13 million investment into the Ipswich Turf Club. The investment into the Ipswich Turf Club will include turf surface upgrades, new stewards and jockeys' rooms, a function room and relocation of stabling areas to allow for commercial development. My view is that the turf club upgrade is a priority infrastructure spend because unfortunately this club has not had any funds spent on it for almost three decades.

We are making sure that we not only get infrastructure funds spent where they are prioritised by Racing Queensland, but in June I was pleased to announce one of the most significant country and regional racing infrastructure programs Queensland has ever seen. This is backed by \$6 million in new funding. These additional funds will improve racing operations, enhance industry returns, deliver better industry workplace health and safety and animal welfare outcomes, benefitting 112 clubs across 298 projects. The projects were identified based on submissions from the clubs themselves with additional items identified by Racing Queensland based on need.

Our clubs in country and regional areas are a key part of their local economies and provide a strong social connection for the people in the area. I visited many of these clubs. I was recently in Cairns when the government governed from Cairns. The Cairns Jockey Club was over the moon with the \$352,750 that they have received as well as the Cairns Greyhound Racing Club which received well over \$200,000. The Mackay Turf Club received \$164,200, the Mount Isa Race Club received \$133,417 and the Surat Diggers Race Club received \$130,000.

For the member for Beaudesert benefit, I point out that Beaudesert Race Club received \$178,500. I visited the Beaudesert Race Club. They are very happy not only with the Cyclone Debbie funds that were given to the club due to the devastation that they experienced but also with the funds they received under this racing infrastructure spend. The list goes on.

This is the sort of infrastructure investment country and regional race clubs could only dream of when the LNP was in power. It is now being delivered by a Palaszczuk Labor government. The clubs were very grateful to receive these funds. I look forward to visiting these clubs and seeing how the money has been spent. Many of them are very happy with the funds coming out of Racing Queensland and the Racing Infrastructure Fund.

Mrs MILLER: I would like to direct my question to the Racing Integrity Commissioner. I am just seeking advice in relation to a member of a turf club committee who has allegedly been charged with offences. Should that person remain on the committee or resign their position given that the reputation and integrity of racing as a sport is very important in Queensland?

Mr Barnett: As I understand the question it relates to the conduct of an official of a turf club. In usual circumstances the licensing of clubs and officials is usually the province of Racing Queensland. The Queensland Racing Integrity Commission is responsible for the licensing of participants and animals in the industry. If this person was to have dual citizenship in effect and be a licensed participant then it would be up to the QRIC to consider whether that person's licence should be suspended or revoked depending on the circumstances of the matter.

Mrs MILLER: What if they are a committee member and they have no other interest in racing except for being a turf club committee member?

Mr Barnett: A pure committee member who has no other licensed involvement in the industry would not come under the responsibility of the Racing Integrity Commission.

Mrs MILLER: What integrity commission would that come under?

Ms GRACE: Member for Bundamba, I think Dr Eliot Forbes would be the person to answer. The licensing of clubs comes under Racing Queensland.

Dr Forbes: In relation to club licensing that is a responsibility of Racing Queensland. As part of those club licensing procedures we require police checks of committee members. If there is a police record then that would be something that would be examined closely and screened. If there were still charges pending there would be no police record at that time.

Mrs MILLER: I have a question to the minister in relation to the Ipswich Turf Club and the recent announcement. As you would be aware, the turf club is very sensitive about announcements in relation to funding because we had an announcement several years ago, then there was a change of government and the money got ripped off us. Can we be absolutely sure that this time we have the money? Please say yes. Make my life a lot easier as the member for Bundamba, let me tell you.

Ms GRACE: Yes, I believe that we have moved straight away to getting contracts awarded, quotes in and contractors started so that we can lock in these funds. Depending on what happens at the next election, I hope to return as racing minister and I will guarantee that those funds will come to you. I know from Racing Queensland's perspective the board should remain in place. I cannot imagine that there would be any changes to that. I guess it is something that you would need to get from the other side of politics. I would say that most would be awarded before the election is due early next year. Hopefully we can guarantee that those funds—the \$13 million awarded to the worthy Ipswich Turf Club—are spent according to the awarded contracts so we get those clubhouses going and the turf and all the other work done.

Mrs MILLER: The quicker we can get it done the better. We obviously do not trust the other side.

Mr POWER: My question is relation in page 8 of National Parks, Sport and Racing SDS and the administration of racing infrastructure across the codes of racing. Can the minister provide an outline of the impact of Cyclone Debbie on racing infrastructure? The government's response is also important to this?

Ms GRACE: Like most sectors the racing industry has felt the impact of Cyclone Debbie and the subsequent flooding in central and southern Queensland. I visited the Rockhampton Turf Club that was devastated by the inundation that occurred. The greyhound and thoroughbred tracks were inundated. After a few inundations it took everything away. They were facing major infrastructure spends. Flooding and high winds delivered a very heavy blow.

I visited the Beaudesert Race Club. I saw photos when people arrived after the flooding. It was truly devastating to see the amount of floodwater and mud on the track. They have suffered bad damage to the infrastructure and on-course facilities. Together these clubs face estimated damages totalling \$2.25 million. The out-of-pocket expenses, including insurance, total around \$778,000. I am pleased to

say that the government has provided funding of \$778,000 to help these clubs. Clubs affected included Beaudesert, Bowen and Mackay turf clubs, Rockhampton jockey and greyhound clubs, as well as clubs in Gladstone, Calliope, Bundaberg and Capalaba. The member for Beaudesert, as I said, would be familiar with the damage inflicted on the Beaudesert Race Club estimated at about \$1.3 million.

We provided the capital works grants to these clubs to cover their out-of-pocket expenses. Racing Queensland was tasked to appropriate these funds on an as-needs basis. I will continue to work with Racing Queensland and stakeholders to ensure the money gets to the club so they can get their facilities back on track. My understanding is that a lot of that money has already been provided. Dr Forbes, you may want to update the member in relation to that. We are working with them. Clearly, there are contracts to get. There are different works that need to be done.

As I said, the Queensland racing industry is extremely resilient, and those in the industry always rally around to help in times of need. I was very impressed with the number of people who came out to help, not only in Rockhampton, Beaudesert and Gladstone but all over. That is exactly what we saw.

Racing Queensland did a great job supporting clubs with clean-up and remediation works, as well as ensuring that races were either rescheduled or transferred to other venues. Racing Queensland also established a Flood and Cyclone Assistance Fund to help trainers who have encountered additional welfare, care and transportation costs. Racing Queensland received \$140,000 in pledges towards this fund and has provided nearly \$70,000 to 106 trainers affected by the cyclone or subsequent damage.

Country and regional race clubs are the heart and soul of communities throughout the state. This \$778,000 contribution is another measure of our support for Queensland racing, particularly country and regional racing. It was very well received. They could not believe that the government had done this. I do not think it had ever been done previously. I can tell you that there are a lot of happy clubs out there that received this funding after the devastation of Cyclone Debbie.

Mr POWER: I know that in the member for Beaudesert's area and in my area as well there were many horse owners who suffered damage from the floods.

Ms GRACE: We helped all three codes. All three codes received some funding.

Mr POWER: I want to move on to animal welfare. I was on the committee when we examined these really tough issues, and I know that to have the long-term integrity of the sport preserved we need to safeguard animal welfare. In relation to page 62 of the Treasury Service Delivery Statements and QRIC's priority of 'safeguarding the welfare of animals involved in racing', can the minister provide an update of the animal welfare programs operated within QRIC, including any programs that have been recently established to preserve the integrity of the industry?

Ms GRACE: I thank the honourable member for the question. QRIC has a proactive approach to ensuring animal welfare and operates animal welfare programs for both greyhound and equine racing animals. Racing and retired greyhounds are protected by a range of measures. Foremost amongst these is a Greyhound Adoption Program, which matches suitable greyhounds with their forever homes. Three hundred and eighteen greyhounds were rehomed through the GAP in 2016-17—an increase of 38 per cent on the previous financial year which was 230. That is a great result—318 greyhounds finding a home. The GAP is well regarded by the community, with a growing foster care program and expanding social media networks in excess of 5,700 supporters. It really has a lot of community support.

Racing greyhounds are also being protected through the formation of a dedicated kennel inspection team. Some 366 kennel inspections were conducted in 2016-17, compared to just 31 when we took over. Racing greyhounds are also better protected by enhancements to QRIC's drug sampling and testing regime. One hundred per cent of winning greyhounds are now tested for prohibited substances and all greyhounds are tested for the category 2 prohibitive substance EPO.

QRIC's Equine Welfare Program, which is one of the new ones you inquired about, was established in March 2017. It administers and supports programs, initiatives and research that will improve the welfare of horses in the racing industry. The Equine Welfare Program has sponsored a number of equine competitions and events that featured ex-racehorses in 2016-17 with a view to stimulating rehoming demand. By showcasing the versatility and athleticism of ex-racehorses, these events demonstrate the suitability of thoroughbred and standard bred horses for alternative careers and help to minimise the unacceptable wastage of horses when they retire from racing. The QRIC Equine Welfare Program is also supporting independent research by Sydney University into the performance impacts of the Hendra vaccination. This research will inform the QRIC's policy approach to Hendra vaccination for horses registered for racing.

More generally, QRIC has implemented a number of measures. I was at Eagle Farm when we had a demonstration during one of the races. It was very well received. There is ongoing liaison with state and national animal welfare organisations. There is the establishment of the QRIC racing animal welfare committee with representatives from Racing Queensland, the RSPCA and Biosecurity. I think QRIC have done an excellent job in ensuring the welfare of animals once they have ended their racing careers. I commend them for the work they have done over the last 12 months.

Mr POWER: Thank you for that answer. The other matter that came up during committee hearings was the intelligence capability of Queensland Racing. In relation to page 62 of the Treasury SDS with reference to the strategies on the intelligence capability of the Queensland Racing Integrity Commission, can the minister outline whether there are any new announcements by QRIC in relation to body worn cameras for QRIC inspectors for the gathering of evidence for future use?

Ms GRACE: I thank the honourable member for the question. After a successful trial in June 2017, QRIC's integrity officers started using body worn cameras to assist in the collection and management of evidence on 1 July this year. The introduction of body worn cameras will allow authorised officers to collect audio and video evidence during the course of inspections and investigations and use this as part of their evidence base when responding to compliance breaches or other offences.

The ability to record electronic evidence and manage it through a digital evidence management system will protect the integrity of the evidence and everyone involved in its collection. Once an officer completes their shift or field work, they return to the office and dock the device in a camera-docking station, known as the evidence transfer manager, which automatically uploads and stores the data recorded. Ultimately the use of body worn cameras will also improve the timeliness and fairness of the disciplinary and internal review process, as there will be no contest as to the accuracy of the evidence relied upon.

QRIC is the first racing regulatory body in Australia to introduce the devices, and staff have been supported by formal training and the development of standard operating procedures to ensure their appropriate and proper use. Already the evidence-collecting value of the cameras has been proven. In the first days of use, officers are making surprise inspections, gathering evidence and clearly using that to mount the case in relation to their investigations. QRIC investigators were able to respond and record on-site evidence and interview participants who had breached, for example, licensing requirements. It is a giant leap forward for our officers. I believe there are 12 cameras that are in use. Investigators are well resourced and well trained. I am sure the cameras will more than adequately benefit the racing industry from an integrity point of view.

CHAIR: I call the member for Beaudesert to recommence non-government questioning.

Mr KRAUSE: Minister, has the Albion Park redevelopment plan been abandoned, given the decision by the Brisbane City Council last week?

Ms GRACE: I thank the honourable member for the question. We do know that on 14 July—last week, as you have said—the Brisbane City Council refused Racing Queensland's application to allow a development submission under the council's superseded planning scheme. Racing Queensland, I understand, is working with the BCC to understand any concerns they may have about the request to submit a planning application under the old town planning scheme for Albion Park. If Racing Queensland is not able to leverage the value of the Albion Park site then it will need to understand the impact on its plans for the infrastructure for both racing codes.

I have had submitted to me a five-year infrastructure plan, so this is obviously going to have a significant impact on Racing Queensland's five-year plan. They are getting their head around this and meeting with the Brisbane City Council to try to understand the reasons for their decisions going forward. I am well aware that Racing Queensland will continue to work with all stakeholders to determine a way forward in the best interests of racing in Queensland. Part of the process will be to discuss options—obviously there are options—going forward and ensure that all stakeholders are consulted in relation to this. I would expect no less from Racing Queensland. They took the appropriate steps to protect the balance sheet value of Albion Park for Racing Queensland. It is a significant asset.

As I have said previously, I have had no formal plans in front of me. There are no decisions for me to make. This is about ensuring the protection of the balance sheet value of Albion Park going forward. Racing Queensland are well aware that the expectation from this government is that they listen, they consult and they talk to all stakeholders. I am sure that they will continue to liaise with the BCC regarding the decision of last week.

Mr KRAUSE: Minister, it is clear that the Albion Park Harness Racing Club has a different vision for the precinct. I seek leave to table a document in relation to that.

CHAIR: Is leave granted? There being no objection, leave is granted.

Mr KRAUSE: In that light, will you consider any alternative plans to redevelop Albion Park?

Ms GRACE: Racing Queensland has a primary responsibility to have a look at Albion Park and what they believe going forward. They are consulting with stakeholders. They are aware of alternative sites from the Albion Park Harness Racing Club. I am aware of the article that you have tabled. Racing Queensland is working with all stakeholders so that we can get the best outcome for Albion Park. I would expect no less.

Clearly there are alternative views. There are alternative visions. Racing Queensland act on a commercial basis. It will be deleterious for them not to protect the value of that property on their balance sheet. That is what they have done. They have, as you have said, received a decision that is contrary to what they applied for. They are consulting widely. They will continue to consult with the Brisbane City Council. I would be disappointed if there were not a number of options for Albion Park. At this point in time nothing formal has come to the government, to me as minister, to have a look at for any infrastructure spend. My understanding is that this is about ensuring a way forward not only for the Albion site but also for the racing industry in total.

I have further information here. In February 2017 Racing Queensland commissioned Deloitte to undertake a review of the greyhound and harness racing codes in the south-east corner. Their study resulted in extensive stakeholder engagement including a survey of existing facilities and their appropriateness for racing and factors for their ongoing involvement in the codes. There has been economic and demographic analysis. For example, a few were asking: is a city based harness racing and greyhound club appropriate? We know that there are expressions of interest out there for the south and the west in relation to harness and greyhound tracks that will be world-class and meet all the animal welfare situations.

Feedback identified that there are some views that the current facilities are short of expectations. However, Racing Queensland is in discussions with all stakeholders. Nothing formal has come forward to me. I am sure that there are many views in relation to it. I am sure that we will land not only the best outcome for Albion but the best outcome for the racing industry in general.

Mr KRAUSE: Minister, you referred earlier to a five-year infrastructure plan that has been forwarded to you. That is something that we have been waiting for for some time. When will that be finalised and released?

Ms GRACE: It never would have come under you because there was never any racing infrastructure plan under the previous government. You have been waiting a long time and you would never have received one under the LNP. On 19 July 2016 I requested Racing Queensland to produce an infrastructure plan. Racing Queensland then proceeded to write to all clubs about funding levels. Unfortunately, I have very few funds in the Racing Infrastructure Fund due to the deal that the LNP signed—a 30-year deal, which will give me after 2023, when the last payment is to be made to the Racing Infrastructure Fund, just over \$100 million to spend over 30 years.

The difference is \$110 million that the previous government allocated over four years which was extended to five years under the LNP government. That is a significant difference in racing infrastructure funds, so it is no doubt that I have asked Racing Queensland to come up with a racing infrastructure five-year plan. We have been locked in to a 30-year deal by the LNP which gives us just over \$100 million over 30 years. Well over \$120 million in infrastructure needs has been identified right now in the racing industry—a significant shortfall. Forgive us if we try to do what we can to fix the mess left to us by the previous LNP government.

There are a number of EOIs out there for infrastructure spends in regards to harness and greyhound racing. We have committed \$13 million to the Ipswich Turf Club and \$6 million to the country and regional infrastructure program—the first money that they have seen in years. Not one penny was spent by the previous LNP government. When it comes to infrastructure, of course there is a five-year plan. We are looking at those figures. There is a number of issues that we need to look at going forward because, unfortunately, the money left to us by the previous government is nowhere near what Labor had committed under the previous Labor government.

Mr KRAUSE: Racing Queensland has also floated ideas about having new harnessing and greyhound venues south and west of Brisbane. Are these proposals not dependent on the sale of Albion Park?

Ms GRACE: No, they are not.

Mr KRAUSE: What consultation was undertaken by Racing Queensland—perhaps it is a question best directed to Dr Forbes—with the harness and greyhound clubs at Albion Park before the proposal to relocate harness and greyhound racing from there was made public by Racing Queensland? Did you meet with them and speak with them? Did they generally agree with the proposal?

Dr Forbes: As the minister has previously outlined, in the formulation of our infrastructure plan we asked Deloitte to undertake a review of harness and greyhound facilities for South-East Queensland. As part of that review, a stakeholder engagement piece was undertaken. That involved meeting with various representatives of key industry groups including the clubs. It also included a stakeholder survey in an online module.

Together with that feedback from the stakeholders as well as with the economic and demographic modelling that Deloitte undertook, the recommendations that came from Deloitte were considered by the Racing Queensland board who then formulated the approach to the strategy for the infrastructure plan. There was engagement with the club people. There was engagement with various peak industry associations such as BOTRA, which is the Breeders Owners Trainers and Reinsmen Association and the equivalent in the greyhound code with breeders, owners and traders associations as well to get their views as to what their needs are for infrastructure going into the future. What was very clear is that the facilities are falling short of expectations and there is a very strong desire, particularly among a lot of the greyhound participants, for brand-new facilities. The club people there had identified that there was a desire for a new single-turn track and that they would certainly like to have a bigger role to play in the commercial operation of their site. That is the type of feedback we got.

Mr KRAUSE: What about the Albion Park Harness Racing Club? What was their feedback?

Dr Forbes: The Albion Park Harness Racing Club were a part of the consultation processes. They have obviously made their position very clear that they would like to stay where they are. However, we are making decisions which are really designed to be best for industry outcomes. Part of our modelling had shown that when we look at the people who attend the racecourse and the people who wager on racing, as a broadcast sport in some ways it does not matter where the course is located for wagering. Given that most of our harness participants are located in fringe areas in the southern and the western corridors together with the fact that a lot of people who actually attend the course also live in those locations, it certainly made sense from a commercial and economic point of view to locate facilities where you are best positioned to serve their needs. We can certainly understand the diversity of views there. Ultimately, we are looking for the best industry outcomes.

Mr KRAUSE: My next question is to Mr Barnett. I refer to page 65 of the Treasury SDS in relation to QRIC staffing and I ask: who is the current Director of Stewarding and Licensing at QRIC?

Commissioner Barnett: I thank the honourable member for his question. The position of Director, Licensing and Stewarding is currently vacant.

Mr KRAUSE: Mr Barnett, that puzzles me because I understood that that was filled by Mr Jamie Dart last year.

Commissioner Barnett: That is not exactly correct. A selection process was undertaken. Mr Dart was one of the people who applied for that position. Mr Dart was not appointed formally to that position when matters came to my attention which required me to take action against Mr Dart, which involved him being suspended with pay.

Mr KRAUSE: What you are saying is he is presently suspended with pay but he was not formally appointed to the Director of Stewarding and Licensing at QRIC despite there being reports at the time that he was?

Commissioner Barnett: That is correct. I think it is a matter of public record that Mr Dart was suspended in October last year and he remains suspended on pay at this time.

Mr KRAUSE: He remains suspended on full pay at this point. How much has that cost QRIC?

Commissioner Barnett: I am not in a position to particularise his exact amount, but I can give you an overall figure of the number of members cumulatively who have been suspended with pay if that is of any assistance to the committee.

Mr KRAUSE: Mr Barnett, we might let that one go through to the keeper at this point. Has QRIC been able to finalise the matter that was put in question about Mr Dart and finalise the investigation that was underway in relation to him?

Commissioner Barnett: The investigation into the allegations against Mr Dart has been a lengthy and obviously complex matter. It is very close to finalisation and we are expecting to get a report from the investigating firm in the very near future. I mean potentially days.

Mr KRAUSE: It has been about nine months now by my reckoning. What has taken so long? Why has there been a delay?

Commissioner Barnett: That is correct. It has taken a long time—longer than any of us would have liked. These matters are very disconcerting for the organisation and for the members concerned. We all have a desire to have them resolved as soon as possible and that is clearly our desire in this matter as well. There have been some complicating factors in this matter, some of a personal/medical nature which I do not think would be appropriate in all fairness to explain further to the committee.

Mr KRAUSE: Dr Forbes, I have a question for you. Nearly a million dollars has been spent on the plans for Albion Park and an announcement of \$3.2 million in extra prize money going to TAB race meets. Why is there no allocation for additional prize money for country racing in 2017-18?

Dr Forbes: We were very pleased to make some recent prize money announcements in relation to the three codes of racing. It was a small amount but a step in the right direction. Decisions in relation to how we allocate that were made on commercial terms, particularly with the thoroughbred code. Those funds were directed towards initiatives that would help to generate revenue to assist with our financial recovery. For example, we have put on a ninth race on Metropolitan Saturdays. It is something that is very common in Sydney and Melbourne and previously Queensland was not doing that. By being able to put on an additional race we can actually generate additional revenue.

Other strategies have included addressing some of the leakage that we were getting from the Gold Coast track, for example, where horses were going interstate and racing in northern New South Wales because there was more attractive prize money there. This was impacting our field size at the Gold Coast, so we needed to address that. If we can boost field size then we can help with the wagering turnover. Of the small amount of funds we had available we directed them very deliberately towards increasing wagering turnover. As you may be aware, the country racing component does not have a revenue-generating capability and, hence, at this stage the focus was on generating revenue.

Mr KRAUSE: Thank you for that answer. I wish to go back to Albion Park one more time and ask a question of the minister in relation to this. What level of community consultation was undertaken about plans to redevelop Albion Park? We have heard about consultation with the industry, but what level of community consultation was undertaken?

Ms GRACE: I thank the honourable member for the question. I guess the community consultation will be the next phase depending on what the outcome is from the Brisbane City Council. They clearly consulted widely through the Deloitte report and through the stakeholders. As I have said, Racing Queensland operates on a commercial basis. The Brisbane harness club is clearly a very, very important part of what happens at Albion. I know that there are differing views. I think the next phase of the consultation will be dependent on the outcome of the Brisbane City Council's decision. You have referred to the response that came from the council. Racing Queensland is, of course, now liaising with them. I am sure that there are a number of issues in relation to various clubs and their views and all of those kinds of things, but at the end of the day, the stakeholders will be engaged and the public will be engaged. This is a phased thing. Nothing has come formally to me as minister. I would expect nothing less from Racing Queensland to come forward to me finally with a proposal that would have the full agreement of all stakeholders with a plan that hopefully will see not only the benefit of Albion Park going forward but, of course, the racing industry as a whole. I look forward to that. Nothing has come to me formally. I am positive that Racing Queensland will conduct themselves as a good citizen and will consult widely, as they have. The next phase will then be consultation with the public. I have full faith in the board and the CEO that they will conduct full, thorough and comprehensive consultations with all interested parties.

CHAIR: I understand the deputy chair has a question. I will just let everyone know that there are only two minutes left in this session.

Mr STEVENS: Minister, the integrity chief appointed under your watch, Mr Ross Barnett, has publicly stated that there is the equivalent of organised crime operations in the racing industry. How many have been identified to date and in what time frames in terms of months or years have you been advised that the persons involved in this criminal activity will be charged?

Ms GRACE: I think this is sensitive information. I would refer that question to the commissioner who is more au fait with what can be said publicly in relation to these investigations. These are sensitive investigations and we do not want to do anything that is going to affect the outcome of those. I refer that question to Commissioner Barnett to answer in relation to what he believes can be publicly informed in relation to QRIC's investigations into these issues.

Commissioner Barnett: I thank the honourable member for the question. The investigations undertaken by the commission in consultation with the Queensland Racing Crime Squad are a matter of public record. I think the matters that the honourable member may be referring to are arrests made in April of this year for offences of race fixing, which is a crime in Queensland that carries a maximum penalty of 10 years imprisonment. Those matters are a matter of public record. I did say at the time that the matter is ongoing, and on that basis I think it would not be appropriate to speculate any further.

CHAIR: The time allocated for the consideration of the expenditure for the portfolio area of Racing has expired. I thank officials from the racing bodies and the department for their cooperation during this section. The committee will now continue its examination of the Multicultural Affairs portfolio of the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs. I will allow a brief moment for you to call forward any officials who are supporting you during this session.

Mr MINNIKIN: My question relates to question on notice 20, which states that 104 event applications and 81 project applications from the Celebrating Multicultural Queensland grants were unsuccessful. Could the minister or director-general advise the committee: of these, how many were unsuccessful because they were ineligible for whatever reason or how many just simply did not make the cut on merit based processes?

Ms GRACE: I thank the honourable member for the question. It is a good question, because these are very highly competitive grants and unfortunately there is only a certain amount of money. I would love to have more funds to distribute. Since we have been in government we have nearly doubled the budget for Multicultural Affairs Queensland. It is great to see that communities out there are very competitive in relation to this.

There is a process that is open and transparent. The committee looks at a number of reasons such as why things need to be funded et cetera. They are assessed under an open and transparent process by an independent grants assessment panel, which consists of external and internal members. Assessments are made based on merit and how strongly the application aligns with the funding objectives and the criteria to determine application rankings. A significant number of these events have now received triennial funding. We were getting a lot of feedback from some community groups that doing this every year for signature events that we know work time and time again was wearing them down. They wanted to be able to prepare for the following year, so there is a group that gets triennial funding and there is a group that also can apply for annual funding. As I announced earlier this evening, that funding is open today for the remainder of those funds. Multicultural Affairs Queensland provides feedback to the unsuccessful applicants and refers them to the grants access worker, who can assist them in identifying possible funding options.

Grants program events and projects promote positive community relations, intercultural connections, community awareness and appreciation of cultural diversity as well as increase community participation by migrants and refugees. There is no doubt that many of these events are very worthy but, as I have said, member for Chatsworth, there are only so many funds to go around. We try to provide as much feedback as we can and we try to fund those that align most closely with our objectives at the time.

Mr MINNIKIN: You did touch on this in relation to what you have just said in answer to the question on notice. You did say that there is an open and transparent merit based process for assessing these grants and you covered that slightly, but could you go into a bit more detail in relation to what criteria are used by the panel in terms of capacity, organisational ability, proven track record et cetera?

Ms GRACE: All of the above. All of the things that you have mentioned are used by the panel. Clearly, if they are signature events which have proven to be successful, as I said, there is triennial funding. I understand that triennial funding of \$700,000 has been provided to 54 organisations. These are longstanding, well-established events that have received three-year funding from 2015-16. Under the new round that opens today, 18 July, \$217,500 will be available to new grants. As I said, the panel members assess the application based on the following, as indicated in the funding guidelines which are made available: align with funding priorities, objectives and criteria identified for individual funding rounds, including alignment with principles of the Multicultural Queensland Charter; demonstrate practical and viable time lines, milestones and performance measures; and provide a realistic and complete budget. These are the things that are looked at by the panel members.

Mr MINNIKIN: Who are the members of the grants assessment panel specifically?

Ms GRACE: I think they change from time to time. If I direct that question to the director-general, he may be able to inform you of who they were in the last round. I am not sure whether the director-general is aware, but if he is not we can easily provide that information for you.

Mr Hogan: I thank the honourable member for the question. The assessment panels do change from program to program. They include internal and external members, including representatives who are not associated with the multicultural sector. I do not have a list of the particular names, but they involve internal and external representatives.

Mr MINNIKIN: Minister, I refer to page 19 of the SDS. Can you advise how many of the 336 staff in Community Services work in Multicultural Affairs Queensland?

Ms GRACE: Yes, I can. I thank the member for the question. It is not a very large area. There were 30 full-time employees in Multicultural Affairs Queensland as at the pay period ending 23 June 2017, and that is total departmental staff. If you want me to give you a breakdown of the groups that they represent, nearly 12 per cent identify from a culturally and linguistically diverse background and nearly 17 per cent in Multicultural Affairs. This is more than the average of the Queensland Public Service, so they range across departments. They are committed to contributing to the Queensland multicultural community and, needless to say, they are dedicated and hardworking public servants. There are 30 in total.

Mr MINNIKIN: You may need to take this on notice—it is up to you, of course—but could you break down specifically those functions that you alluded to of MSQ staff into corporate, grants, communications et cetera?

Ms GRACE: I think this is a question for the director-general. It is an operating issue, not a ministerial one. I am not sure we have the full breakdown, but I will refer you to Mr Michael Hogan.

Mr Hogan: As the minister has indicated, there are 30 staff in MAQ. They are responsible for a number of functions: the administration of programs and grants; the monitoring of those programs and grants; community engagement; support for the minister, myself and the government for participation in a wide range of community events; and the preparation of material for those events. There is also the very important function of working across government in relation to the implementation of the Multicultural Recognition Act, the Multicultural Queensland Charter and the multicultural policy and action plan.

Mr MINNIKIN: Minister, what is the 2017-18 total staff budget figure for MAQ?

Ms GRACE: For Multicultural Affairs Queensland?

Mr MINNIKIN: Yes.

Ms GRACE: I am just getting those figures so that I do not give you a figure that is not 100 per cent correct. That is really hard to read. If I give that to the director-general he may be able to see it better than I can.

Mr MINNIKIN: Is this figure going to shock me?

Ms GRACE: It is going to shock you because it is a lot more than you spent when you were in government.

Mr Hogan: I thank the honourable member for the question. Total employee expenses for Multicultural Affairs Queensland are \$3.218 million.

Mr MINNIKIN: Minister, I am sure you probably agree with me that, given our multicultural society, social cohesion is an extremely important facet of your role as the multicultural minister. I refer to Budget Paper No. 4, page 73, SDS 10 in relation to building social cohesion, which I think is about \$7.4 million over the four-year forward estimates. Minister, what outcomes are being measured to determine the success of this 'building social cohesion' campaign?

Ms GRACE: I thank the member for the question. As Minister for Multicultural Affairs I launched the We Are Queensland campaign under the social cohesion program, but it actually sits with the Department of the Premier and Cabinet and it sits under the Premier. She was overseas at the time. We really wanted to launch the social cohesion strategy, the We Are Queensland program. If you want details of the \$7.4 million you need to refer that to the Department of the Premier and Cabinet. It does not fall under my portfolio.

Having said that, we work closely with the social cohesion group, and my department, through MAQ and the Multicultural Queensland Advisory Council, is supporting social cohesion by working at the community level to build harmonious, inclusive and united communities that embrace and celebrate Queensland's cultural diversity. We have also received some funding in relation to social cohesion initiatives through the finances of DPC. Because they work so closely with MAQ, funding has been put towards a number of projects and additional grants that work on improving social cohesion in the community. For example, we have implemented additional CAMS offices that are improving social

connectedness and supporting positive participation in community life. The outcomes focused funding arrangements were introduced in 2015, and we can now see real results coming out at the community level. These CAMS offices have to report on their activities and outcomes, and they are obviously provided to MAQ. They respond directly to the needs identified in the local communities. The \$7.4 million program is funded under DPC. We have received some funding for two years—last year and this year—to extend MAQ's role in the social cohesion strategy, and the money that we have received is what I have reported to you as having been spent.

Mr MINNIKIN: Thank you, Minister. I did note that in question on notice No. 19, so I am aware of—

Ms GRACE: It comes primarily under DPC.

Mr MINNIKIN: Yes, but I just wanted to get the connection between your involvement in advising the Department of the Premier and Cabinet.

Ms GRACE: Not advising because there is a Social Cohesion Implementation Committee, which is chaired by Scott Stewart, the member for Townsville, who is doing an excellent job in that role. We do work closely with them of course. If you have a look at the strategies of both organisations, they work more from the individual going out for a social cohesion kind of program whereas we work at the community level coming into the individual, so they are very complementary. With regard to the funding that we have received, as I have said, seven organisations have been funded to embrace diversity through the social cohesion program and there is \$150,000 to those seven organisations under the connecting communities fund for projects that they have implemented, so we are working very closely with them.

Mr MINNIKIN: Thank you, Minister. I wanted to get that nexus. Minister, on a very sad and sombre topic, what discussions have you had with the health minister about the tragic death of Manmeet Sharma and the external expert investigation into the Moorooka bus incident report sitting with his office?

Ms GRACE: We have had extensive discussions. This is an absolute tragedy.

Mr MINNIKIN: Yes, it is.

Ms GRACE: I was with the health minister and Minister Bailey when we met the family with the Premier recently when they visited Brisbane. We had an extensive conversation with the family about this tragedy. I could not think of a worse death than what Manmeet faced.

Mr MINNIKIN: Agreed.

Ms GRACE: I have also worked with the community. We had meetings with the Premier and other ministers with the Indian community soon after those tragic events to assure them that we are supporting the community in any way we can. They came here to Parliament House. The Premier has been involved nearly every step of the way, as has the local member, Mark Bailey, and the health minister, Cameron Dick. These are terrible, tragic circumstances. We have done what we can to not only assist the family but also assist the community. The community has healing to do as well. We have attended the various community memorial services for Manmeet Sharma and we have had ministers present at all of those. I went to the Sikh temple and I know that other ministers have been to a number of other memorial services as well.

Mr MINNIKIN: Minister, you would know then that Manmeet's family and the larger Indian community have called for this report to be released. Do you agree?

Ms GRACE: I am sorry, but I am not sure what report you are referring to. The report obviously does not come under my portfolio. I suggest that if you are talking about a report under another portfolio you ask the minister for that. This is very sensitive.

Mr MINNIKIN: Yes, it is.

Ms GRACE: We know what the members of the family want. Like I said, we met at a very high level with the Premier and the family when they came out here with friends of theirs who were interpreters. I am well aware of that, but if you are asking me about a report that is not under my portfolio I suggest you wait and ask about that report to the relevant minister.

CHAIR: I will now hand over to the member for Bundamba for the last 15 minutes.

Mrs MILLER: Minister, I represent people from 120 different nationalities in my electorate and one of the biggest issues for our communities is finding suitable halls or venues for them that are big enough in which to meet. A few years ago our government built the Goodna Cultural and Arts Centre.

It was handed over to the council which promptly privatised its operation. It has now been turned into a gymnasium. The same occurred with the very big and large Redbank Collingwood Park sports centre, which can fit a couple of thousand people into it. Our multicultural communities are excluded from these facilities due to a gouging fee regime, including approximately \$5,000 per day plus cleaning fees that were quoted to a South African community to use the Redbank complex—just extraordinary gouging fees for our communities. We welcome our South Sudanese, Congolese and Dinka communities into our area, but one of the issues facing them is not having any venues at all in which they can meet. I am just wondering if you could assist us in getting these halls back into use for the community, including all of the wide multicultural communities in our area.

Ms GRACE: I thank the honourable member for the question. Clearly I was not around at the time when the halls were transferred into various ownerships. I have heard that sometimes the hiring of these halls can be expensive, but I will see if there is anything I can do to work with the director-general to see whether we can revisit this so that these various community organisations do have a place to meet. I was in Cairns recently, as you are well aware, and the Chinese community want to build a cultural centre for themselves up there. I visited the Cairns mosque and they were very keen to have a space where they could meet as well. Unfortunately my budget does not allow for a lot of capital expenditure in that area, but I am more than happy—

Mrs MILLER: No, they were built. Minister, they were built.

Ms GRACE: Built by the government and then transferred over, yes.

Mrs MILLER: They were built by our government, they were transferred to the council and now the communities cannot access them at a reasonable cost. We need them to come back to community ownership, so if you could write to the council please asking for access to these halls which we built for multicultural purposes for our community we would be very grateful.

Ms GRACE: Thank you, member for Bundamba. I will certainly work with the director-general about trying to do some of that, but I think that the director-general would like to add something to this.

Mr Hogan: Thank you, Minister. I thank the honourable member for the question. We are very happy to follow up those particular issues. We know that many communities have aspirations to have their own community facilities or to have good access to other community facilities. We know that community organisations do use neighbourhood centres where they are available or schools or council halls if they are not too expensive, but we would be pleased to follow up those particular issues and, if necessary, make representations and investigate the history of what happened with that funding.

Mr POWER: Minister, referring to page 2 of the Department of Communities, Child Safety and Disability Services SDS, we celebrated the passing of the multicultural recognition act in 2016. Like the member for Bundamba celebrates the multicultural nature of the Ipswich community, Logan too has a hugely diverse community. Can the minister provide an update on the government's initiatives being driven as a result of the multicultural recognition act and the creation of the Multicultural Queensland Charter and what initiatives that is driving in Queensland?

Ms GRACE: I thank the honourable member for the question. The commencement of the multicultural recognition act 2016 on 1 July 2016 and with it the introduction of the Multicultural Queensland Charter was a milestone in Queensland. I was very proud coming from an Italian background as the multicultural affairs minister to move such a significant piece of legislation as my first bill before the House. The government committed \$770,000 per annum on a recurrent basis to support the implementation of the act, including for the charter. The multicultural charter is about the Queensland government and the entire community working together. It is about promoting Queensland as a unified, harmonious and inclusive united community.

A number of initiatives will provide ongoing promotion of the Multicultural Queensland Charter and build engagement with the charter principles in the community. This includes the development of a multicultural Queensland ambassador initiative which I am really looking forward to hopefully launching during Multicultural Month to engage businesses, organisations and local governments on practical ways to adopt and implement the Multicultural Queensland Charter and experience tangible benefits from Queensland's diversity. To further promote the charter, a suite of videos are being developed to raise awareness and provide everyday examples on how the charter principles benefit schools, communities, businesses and sporting and government organisations across Queensland. We recently had a Multicultural Advisory Council meeting and an officer from MAQ went through those videos, and they look fantastic. They go through the charter and have a really lovely way of explaining what the charter is wanting to bring about and it is something that can be used in all mediums in all areas.

Mr POWER: Where do you access them?

Ms GRACE: They will be launched fairly soon. We are looking at finalising it, but at this stage they are developing these videos and we hope to launch them during Multicultural Month.

Mr POWER: Indeed, Logan would be a good place to launch them.

Ms GRACE: It would be. We are having the awards and the luncheon and there are seats still available for the multicultural awards luncheon to be held in Logan. It will be a time when we will be launching—

CHAIR: So Sunnybank misses out?

Ms GRACE: Sunnybank misses out I am sorry, member for Sunnybank.

Mr POWER: I invite them all to come down to Logan.

Ms GRACE: Our funding programs are also driving engagement with the charter through the CAMS officers and the organisations. All funding applicants under the recent Celebrating Multicultural Queensland Grants Program round for the multicultural projects were required to demonstrate alignment with the principles of the charter. The principles of the charter will be woven through Multicultural Month—as I said, August is Queensland's Multicultural Month—including the opportunity to express and celebrate cultural, linguistic and religious diversity, valuing the diversity of people in the community and creating opportunities that encourage participation of people from diverse backgrounds in the cultural, economic and social life of Queensland. It is really great going around and seeing these CAMS officers and seeing the work they are doing in the community. In Mount Isa I was so impressed by the doorknocking and the picking up of women who had been isolated in their homes who had been brought into the community. I caught up with them all at the recent Multicultural Festival in Mount Isa when it was held last year and I intend to go again this year. It is a fantastic festival where they were making all the stars with the community. These women were brought out of their homes and are part of the community. There was nothing better to see than Father Mick, the Catholic priest up there, giving a room to be used by the Muslim community for prayer and then them giving that back to the Catholic Church so they could use that room for services the next day. It was wonderful to see. We look forward to continuing promotion of the Queensland charter to the community based groups and organisations across Queensland and government agencies. It is a fantastic document.

Mr POWER: Minister, can you advise on the achievements of the Celebrating Multicultural Queensland Grants Program?

Ms GRACE: Yes. I think the achievements of the Celebrating Multicultural Queensland Grants Program is a fantastic step to promoting positive community relations, community awareness and appreciation of cultural diversity and increased participation by people from culturally diverse backgrounds. Under this government multicultural community groups have greater certainty and have less red tape to navigate when applying for grants. We make it very clear that those applying for grants—and I think the questioning from the member for Chatsworth was very apt in this—get the guidelines and get the feedback but also that we do not drive them crazy every year having to apply when we know they are great events, and they are so grateful of the triennial funding—obviously those that got the triennial funding. Not everybody has, but there is a next time for them. 2017-18 will be the third year since recurrent funding of the \$1 million each year was committed by this government to ensure ongoing support for multicultural events and projects. Due to the commitment of the recurrent funding, as I have said, 54 established and proven successful events until 2018 will have funding capacity and forward planning for their events, and they are loving it. We want to provide more opportunities for organisations to apply for funding, because we are always looking for new events and the emerging communities that are coming through. We do not want them to be denied. You have one too in Logan and I am sure that the member for Sunnybank has a very diverse community as well. We want to make sure that they do not miss out, so the recurrent one is for those groups.

Mr POWER: I have a new community group, but they are doing a fantastic festival. For the triennial funding they have to be well established from multiple—

Ms GRACE: Normally a proven track record, member for Logan.

Mr POWER: Like for 10 years?

Ms GRACE: I am not sure exactly what the guidelines are, but I think you would tend to know which ones they are in the community. If there are emerging ones, I know that the committee also looks for those as well. If you would like to urge them to make a funding application, that would be great. These events are all about promoting cultural diversity and how fantastic it is.

Mr Chair, I seek leave to clarify one of my earlier remarks to the committee with respect to Cyclone Debbie recovery funding. This funding was made available to thoroughbred and greyhound race clubs, not across all three racing codes as I stated. I do not believe that any in harness racing were affected. I think I said 'three codes', but I was not sure but clarify that. However, the \$6 million Country and Regional Capital Works Program applies across all three racing codes: thoroughbred, harness and greyhounds. Clearly we spent the money where the damage was done, so that is just to clarify. I think I looked at Dr Eliot Forbes to see whether we allocated some funding to harness racing, but clearly we did not. It was for thoroughbred and greyhound racing.

Mr Chair, before you close proceedings for the night, I place on record my sincere thanks to staff within the Office of Industrial Relations and the Employment Policy Unit within Queensland Treasury; Multicultural Affairs Queensland within the Department of Communities, Child Safety and Disability Services; and the Department of National Parks, Sport and Racing and staff at Racing Queensland and QRIC for their assistance in preparing for today. I know that it has been a tremendous amount of work and I really am grateful to them all. I also thank my ministerial staff for their constant support and their excellent hard work. I also thank you, Chair and members of the committee. I feel privileged to be part of the estimates process as a minister. Thank you all.

CHAIR: The time allocated for the consideration of the proposed expenditure for the areas of responsibility administered by the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs has now expired. On behalf of the committee, I thank all officials and departmental officers for their cooperation. The transcript of this session of the hearing will be available on the Hansard page of the parliament's website as it becomes available. The committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 10 am on Friday, 21 July 2017. The committee has concluded its examination of the matters relating to the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs and related entities 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 the secretariat. I thank my fellow committee members and everybody else who was involved, including Hansard. I declare the public hearing closed.

Committee adjourned at 9.31 pm