

2015-16 Budget Estimates
Appropriation Bill 2015

Report No. 11, 55th Parliament
Finance and Administration Committee
September 2015

Finance and Administration Committee

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Chair's Foreword

This report presents a summary of the Committee's examination of the Budget Estimates for the 2015-16 financial year.

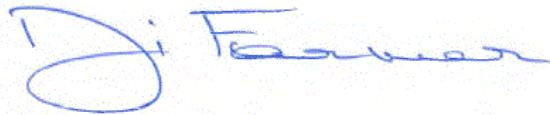
Consideration of the Budget Estimates allows for the public examination of both the responsible Minister and Chief Executive Officers of agencies within the Committee's portfolio area. This was undertaken through the questions on notice and public hearing process.

The Committee has made the following recommendation:

- that the proposed expenditure, as detailed in the *Appropriation Bill 2015*, for the Committee's areas of responsibility be agreed to by the Legislative Assembly without amendment.

On behalf of the Committee, I also wish to thank the Premier and Minister for the Arts and Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships and departmental officers for their cooperation in providing information to the Committee throughout this process.

I would also like to thank the other Members of the Committee for their hard work and valuable contribution.



Di Farmer MP
Chair

September 2015

1 Introduction

1.1 Role of the Committee

The Finance and Administration Committee (the Committee) is a portfolio committee established by the *Parliament of Queensland Act 2001* and the Standing Orders of the Legislative Assembly on 27 March 2015.¹ The Committee's primary areas of responsibility are:

- Premier, Cabinet and the Arts; and
- Treasury, Employment, Industrial Relations, Aboriginal and Torres Strait Islander Partnerships.

Standing orders require that each portfolio committee shall consider the Appropriation Bills and the estimates for the committee's area of responsibility. A portfolio committee must make a report at the end of its deliberations of the estimates of its portfolio area and that report must state whether the proposed expenditures referred to it are agreed to.

1.2 Referral

On 17 July 2015, the *Appropriation Bill 2015* and the Estimates for the Committee's area of responsibility were referred to the Committee for investigation and report.

The Committee then conducted a public hearing and took evidence about the proposed expenditure from the Premier and Minister for the Arts and the Treasurer, Minister for Employment and Industrial Relations, Aboriginal and Torres Strait Islander Partnerships, and other witnesses on 18 August 2015. A copy of the transcript of the Committee's hearing can be accessed on the Committee's web page at: <http://www.parliament.qld.gov.au/work-of-committees/committees/FAC/inquiries/current-inquiries/Estimates2015>

1.3 Aim of this report

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

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

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

Prior to the public hearing, the Committee provided the Premier and Minister for the Arts and the Treasurer, Minister for Employment and Industrial Relations and Minister for Torres Strait Islander Partnerships with questions on notice in relation to the Estimates. Responses to all the questions were received.

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

¹ *Parliament of Queensland Act 2001*, s88 and Standing Order 194

1.4 Other Members participation

The Committee gave leave for other Members to participate in the hearings. The following Members participated in the hearing for the Premier and Minister for the Arts:

- Mr Lawrence Springborg MP, Leader of the Opposition and Member for Southern Downs.
- Mr Ian Walker MP, Shadow Minister for Justice, Industrial Relations and Arts and Member for Mansfield.

The following Members participated in the hearing for the Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships:

- Mr John-Paul Langbroek MP, Shadow Treasurer and Member for Surfers Paradise.
- Mrs Tarnya Smith MP, Shadow Minister for Aboriginal and Torres Strait Islander and Multicultural Affairs and Member for Mount Ommaney.
- Mr Ian Walker MP, Shadow Minister for Justice, Industrial Relations and Arts and Member for Mansfield.

2 Recommendation

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

Recommendation 1

The Committee recommends that the proposed expenditure, as detailed in the *Appropriation Bill 2015*, for the Committee's areas of responsibility be agreed to by the Legislative Assembly without amendment.

3 Premier and Minister for the Arts

The agencies and services which are the responsibility of the Premier and Minister for the Arts are:

- Department of the Premier and Cabinet;
- Queensland Family and Child Commission;
- Office of the Governor;
- Public Service Commission; and
- Queensland Audit Office.

Following the machinery of government changes in March 2015, the Premier and Minister for the Arts is also responsible for Arts Queensland and the following statutory bodies:

- Queensland Art Gallery;
- Queensland Museum; and
- Queensland Performing Arts Trust.²

² Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015-16: 1 - 3

3.1 Department of the Premier and Cabinet

The Department of the Premier and Cabinet (DPC) is the lead, central agency of the Queensland Public Service.³

DPC objectives are to:

- support the Premier to set the strategic direction of government;
- ensure the effective development, coordination and implementation of policy;
- build confidence in government;
- deliver outstanding results and value for money for Queenslanders;
- provide leading insight, advice and services;
- attract and retain a talented and diverse workforce.⁴

DPC's main service areas consist of the following:

- Policy advice
- Coordination and Cabinet Support
- Government Executive Support
- Arts Queensland
- Legislative Drafting and ePublishing.

Policy advice, Coordination and Cabinet Support

The objectives of the *Policy advice, Coordination and Cabinet Support* service area are to:

- facilitate the development of evidence-based policy advice and coordination for the Premier and Cabinet, as well as Cabinet-related activities to drive change across government;
- provide detailed briefings to the Premier on policy, from design and development through to coordination and implementation;
- coordinate a broad range of whole-of-government activities; and
- provide advice on the operation of Cabinet and its related processes, including administration of all Cabinet information, custodianship of the Cabinet record from current and previous governments and direct logistical support for Cabinet and Community Cabinet meetings.⁵

Government Executive Support

The objectives of the *Government Executive Support* service area are to provide high level constitutional and corporate services and support to the Premier and the Cabinet.

³ Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2015-16: 4

⁴ Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2015-16: 4

⁵ Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2015-16: 5

Government services is comprised of the following:

- Anzac Centenary Coordination Unit;
- Appointments and Constitutional Services;
- Ministerial Services; and
- Strategic Engagement and Protocol (Communication Services, Events Coordination and Protocol Queensland).⁶

Government Services also provides policy and operational advice and support to the Premier in relation to executive government and machinery of government matters, support to the administration of business before Executive Council, and provides support services to Ministerial Offices and the Leader of the Opposition. In addition, it leads whole-of-government sponsorships and communication activities and manages and coordinates events including the Anzac Centenary commemoration program, State occasions, official visits and functions.⁷

Arts Queensland

Arts Queensland manages investment programs that support individual artists and arts and cultural organisations; capital infrastructure that provides public spaces for arts production and engagement; maintains Queensland's premier cultural assets; and provides arts and cultural policy and strategy advice to the Queensland Government.⁸

Legislative Drafting and ePublishing

Legislative Drafting and e-Publishing (LDeP) through the Office of the Queensland Parliamentary Counsel (OQPC) provides drafting and e-Publishing services for Queensland legislation.⁹

The department administers funds on behalf of the state, which includes the Queensland Family and Child Commission, and the arts statutory bodies of the Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Trust, Queensland Theatre Company and Screen Queensland.¹⁰

Administered funding provided for each entity in 2015-16 is:

- \$11.7 million for Queensland Family and Child Commission
- \$29.1 million for Queensland Art Gallery
- \$22.2 million for Queensland Museum
- \$9.3 million for Queensland Performing Arts Trust
- \$2.6 million for Queensland Theatre Company
- \$13.6 million for Screen Queensland.¹¹

⁶ Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015-16: 8

⁷ Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015-16: 8

⁸ Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015-16: 10

⁹ Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015-16: 12

¹⁰ Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015-16: 14

¹¹ Queensland Government, Queensland Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015-16: 14

The following table taken from the *Appropriation Bill 2015* compares the appropriations for the department for 2014-15 (budget) and 2015-16.

| Appropriations | 2014-15 \$'000 | 2015-16 \$'000 |
|---------------------------|---------------------------|---------------------------|
| <i>Controlled Items</i> | | |
| Departmental services | 122,763 | 215,600 |
| equity adjustment | 0 | (23,539) |
| <i>Administered Items</i> | 56,591 | 126,420 |
| Vote | 179,354 | 318,481 |

Source: Queensland Government, *Appropriation Bill 2015*, Schedule 2: 11

The DPC including Ministerial Offices and the Office of the Leader of the Opposition has planned capital purchases of \$9.2 million and capital grants of \$3.7 million in 2015-16.¹²

Program Highlights (Property, Plant and Equipment) are as follows:

- \$7 million (for a total cost of \$20.3 million) to renew and replace large critical infrastructure items at the Cultural Precinct, including the central energy plant, electrical safety program, precinct accessibility and mobility, building fabric, vertical transportation and general modernisation.
- \$1 million (for a total cost of \$7.6 million) for the creation of a new permanent Anzac Legacy Gallery at the Queensland Museum, South Bank as part of Queensland's Anzac Centenary commemoration program 2014-18. This project will provide an experiential encounter with one of Australia's, and the world's, most significant war relics - the A7V Sturmpanzerwagen armoured assault vehicle, 'Mephisto' – and is designed to create an enduring legacy for the people of Queensland beyond 2018.
- \$700,000 for upgrades to the communications and security control room at the Cultural Precinct.
- \$124,000 for eLegislative System completion of integrated legislative drafting, publishing system and website.¹³

¹² Queensland Government, *State Budget 2015-16 Capital Statement - Budget Paper No. 3*, 2015: 92

¹³ Queensland Government, *State Budget 2015-16 Capital Statement - Budget Paper No. 3*, 2015: 92

The following table outlines the agencies that fall within DPC's area of responsibility and provides a summary of portfolio budgets for 2014-15 (adjusted budget) in comparison to 2015-16.¹⁴

| Agency | 2014-15 \$'000 | 2015-16 \$'000 |
|--|-------------------|-------------------|
| Department of the Premier and Cabinet | | |
| – controlled | 169,147 | 247,948 |
| – administered | 74,336 | 126,420 |
| Office of the Governor | 6,263 | 6,575 |
| Public Service Commission | 17,025 | 17,762 |
| Queensland Audit Office | 38,355 | 41,956 |
| Queensland Family and Child Commission | 10,534 | 11,752 |
| Queensland Art Gallery | 43,033 | 44,870 |
| Queensland Museum | 34,574 | 44,129 |
| Queensland Performing Arts Trust | 47,544 | 48,641 |

Source: Queensland Government, State Budget 2015-16 *Service Delivery Statements – Department of the Premier and Cabinet, Office of the Governor, Public Service Commission and the Queensland Audit Office*

3.1.1 Issues raised at the public hearing – Department of the Premier and Cabinet (DPC)

Issues raised by the Committee in relation to DPC included:

- priorities to support jobs (e.g. 'Advance Queensland' initiative, 'Future Jobs' strategy) and economic growth/infrastructure investment;
- enhancing tourism opportunities;
- fostering regional growth – promoting tourism in drought-affected areas;
- budget expenditure for emergency and corrective services;
- the type of information of public servants provided, and how information is provided to unions under the Public Service union encouragement policy;
- provisions to opt-out of having information provided under the union encouragement policy and safeguards put in place to prevent the release of details to inappropriate people;
- work being done to address and strengthen environmental protection and management of the threats facing the Great Barrier Reef;
- Ministerial staff numbers and remuneration (salary ranges) of staff in ministerial offices;
- Directors-General appointments;
- 1 William Street offices;
- youth boot camp, Lincoln Springs;
- Queensland Family and Child Commission, Queensland Child Protection Commission of Inquiry and domestic and family violence;
- National Disability insurance Scheme;
- public service long service leave.

¹⁴ The table indicates the agency budget. It may not represent the actual appropriation.

3.1.2 Issues raised at the public hearing – Arts

The Premier and Minister for the Arts responded to questions in regards to the Arts portfolio, some of which are outlined under the respective headings in this report. General questions are as follows:

- plans for the cultural precinct - upgrade and development to the precinct;
- support for Queensland authors and publishers;
- promotion of arts in regional Queensland;
- funding to small and medium arts organisations;
- investment in young and emerging artists.

There were three questions taken on notice during the hearing; these related to salary ranges, funding for the Environmental Defenders Organisation and Ministerial Code of Conduct. The answers to these questions are included in a volume of additional information tabled with this report.

3.2 Office of the Governor

The Office of the Governor, as an independent entity, has a separate appropriation. The Office of the Governor provides executive, administrative, logistical and personal support to enable the Governor to exercise constitutional powers and responsibilities of office effectively, as well as undertake constitutional and ceremonial duties and community activities. The Office also maintains the Government House Estate, in partnership with the Department of Housing and Public Works.¹⁵

This is the second year in office for His Excellency the Honourable Paul De Jersey AC.¹⁶

During 2015-16, the Office of the Governor will continue to:

- support the Governor’s constitutional and legal responsibilities of office through high quality policy advice and executive support;
- support the Governor’s ceremonial responsibilities of office in particular the Australian Honours and Awards System and other ceremonial parades and military ceremonies;
- support the Governor’s program of civic engagements at Government House within the community along with educating the community about the role of the Governor and promoting community organisations through His Excellency’s patronage;
- support the Governor’s commitment to promote Queensland’s produce, culture, trade and business initiatives;
- support the Governor and Acting or Deputy Governor at times when the Governor acts as Administrator of the Commonwealth;
- provide efficient and effective stewardship of Government House and the Estate.¹⁷

¹⁵ Queensland Government, *State Budget 2015-16 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2014: 87

¹⁶ Queensland Government, *State Budget 2015-16 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2015: 87

¹⁷ Queensland Government, *State Budget 2015-16 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2015: 87

The following table compares the appropriations for the Office of the Governor for 2014-15 (budget) and 2015-16 (vote).

| Appropriations | 2014-15 \$'000 | 2015-16 \$'000 |
|---------------------------|---------------------------|---------------------------|
| <i>Controlled Items</i> | | |
| departmental services | 6,263 | 6,575 |
| equity adjustment | (53) | (53) |
| <i>Administered Items</i> | 0 | 0 |
| Vote | 6,210 | 6,522 |

Source: Queensland Government, *Appropriation Bill 2015*, Schedule 2: 11

The Office of the Governor's capital purchases for 2015-16 will be \$64,000 for the replacement of plant and equipment.¹⁸

3.3 Public Service Commission

The Public Service Commission (PSC) is established under the *Public Service Act 2008*. The Premier and Minister for the Arts has ministerial responsibility for the budget of the PSC.

The PSC is an independent central agency of government with key responsibilities for workforce policy, strategy, leadership and organisational performance across the Queensland public sector.¹⁹

The following table compares the appropriations for the PSC for 2014-15 (budget) and 2015-16.

| Appropriations | 2014-15 \$'000 | 2015-16 \$'000 |
|---------------------------|---------------------------|---------------------------|
| <i>Controlled Items</i> | | |
| departmental services | 17,474 | 17,401 |
| equity adjustment | 0 | 0 |
| <i>Administered Items</i> | 0 | 0 |
| Vote | 17,474 | 17,401 |

Source: Queensland Government, *Appropriation Bill 2015*, Schedule 2: 12

3.3.1 Budget highlights – Public Service Commission

The PSC's objectives are to deliver community-focused workforce and organisational policy, strategies and programs that support Queensland.²⁰

During 2015-16, the PSC's aims to:

- deliver and consolidate a new recruitment and selection framework for chief and senior executive service officers founded on merit, integrity and accountability;
- deliver a high quality induction and development program for new chief executive officers;

¹⁸ Queensland Government, *State Budget 2015-16 Capital Statement - Budget Paper No. 3*, 2015: 89

¹⁹ Queensland Government, *State Budget 2015-16 Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 98

²⁰ Queensland Government, *State Budget 2015-16 Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 98

- lead the implementation of Cabinet approved recommendations of the review of statutory appointees;
- finalise an independent review of the Public Safety Business Agency, in line with the government's commitment, to ensure public safety service delivery to the community is accountable, efficient and effective;
- finalise a review of the *Public Service Act 2008*, including amendments to better embed and support an independent public service that operates with integrity and accountability and in-line with Westminster principles;
- deliver and lead the implementation of a contemporary five-year sector-wide workforce strategy that will position the Queensland public sector more strongly for the future;
- implement an integrated leadership talent management strategy to support the attraction, leadership development and retention of high calibre leaders across the public sector;
- develop and implement a strategy to build strategic and tactical human resource capability across the public sector;
- deliver the 2016 Working for Queensland employee opinion survey to monitor workplace climate and support continuous improvement across the sector.²¹

3.3.2 Issues raised at the public hearing – Public Service Commission

Issues raised by the Committee in relation to the Public Service Commission included:

- Police Commissioner contract renewal process;
- recruitment process of Directors-General.

3.4 Integrity Commissioner

The Integrity Commissioner is administratively included within the Public Service Commission and is responsible for providing advice on integrity and ethics issues and for maintaining the Register of Lobbyists. The Integrity Commissioner is an independent officer of the Queensland Parliament who reports annually to Parliament and meets with the Finance and Administration Committee at least twice a year.²²

The Integrity Commissioner's objectives for 2015-16 include:

- implement the outcomes of a strategic review of the Office, conducted under the *Integrity Act 2009*;
- provide timely advice to designated persons on ethics or integrity issues, including conflict of interest issues;
- provide advice to the Premier, at her request, on issues concerning ethics or integrity involving any person who is a designated person other than a non-government member of Parliament;
- maintain the Queensland Register of Lobbyists;

²¹ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 99

²² Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 98

- undertake public awareness activities on issues relevant to the Integrity Commissioner's functions.²³

3.5 Queensland Audit Office

The Queensland Audit Office (QAO) is an integrity agency that provides independent, professional audit services, which help to strengthen public sector accountability and improve transparency.

QAO's key activities are:

- conducting financial audits and performance audits;
- reporting to the Parliament on the results of these audits;
- providing other advice and assistance to Members of Parliament and Parliamentary committees to help them with oversight of and to hold accountable, the public sector for its performance;
- providing advice and assistance to state and local government public sector entities on ways to strengthen their internal controls and better manage their financial and operating risks.²⁴

The following table compares the appropriations for the Queensland Audit Office for 2014-15 (budget) and 2015-16.

| Appropriations | 2014-15 \$'000 | 2015-16 \$'000 |
|---------------------------|---------------------------|---------------------------|
| <i>Controlled Items</i> | | |
| departmental services | 6,486 | 6,401 |
| equity adjustment | 0 | 0 |
| <i>Administered Items</i> | 0 | 0 |
| Vote | 6,486 | 6,401 |

Source: Queensland Government, *Appropriation Bill 2015*, Schedule 2: 13.

The QAO has budgeted capital purchases of \$1.4 million in 2015-16 to maintain and replace current office and IT equipment, and replace legacy finance and practice management systems and maintain Integrated Public Sector Audit Methodology.²⁵

3.5.1 Budget highlights – Queensland Audit Office

During 2015-16, QAO will be:

- pursuing opportunities to strengthen their independence and achieve greater autonomy;
- developing new ways to better engage with stakeholders;
- adapting audit approaches to provide greater value to stakeholders;
- developing workforce to better leverage a data rich future;
- making better use of new technology and standardising processes to improve operations;
- engaging with staff to embed refreshed values of engage, challenge, delivery and care.²⁶

²³ Queensland Government, *State Budget 2015-16 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2015: 99

²⁴ Queensland Government, *State Budget 2015-16 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2015: 115

²⁵ Queensland Government, *State Budget 2015-16 Capital Statement - Budget Paper No. 3*, 2015: 100

Of particular note is the improvement in the QAO's audit efficiency and effectiveness by adopting new technology and refining their audit approach, which has enabled them to reduce their overall audit fees.²⁷

3.5.2 Issues raised at the public hearing – Queensland Audit Office

Issues raised by the Committee in relation to the Queensland Audit Office included:

- focus of this financial year's strategic audit plan – examining efficiency of hospitals, the efficiency of theatre utilisation and the efficiency of utilisation of high-value medical equipment;
- Auditor-General's report on the business case of the three new hospitals or hospital redevelopments (Lady Cilento, Sunshine Coast Public University Hospital and the Gold Coast University public hospital) and potential outsourcing of particular clinical support services;
- expenditure of public monies according to the Financial Accountability Act, the financial management manual and the grant administration handbook.

3.6 Queensland Family and Child Commission

The Queensland Family and Child Commission (QFCC) is a statutory body, established on 1 July 2014 under the *Family and Child Commission Act 2014*. The QFCC promotes the safety and wellbeing of Queensland's children and young people and the role of families and communities in protecting and caring for them. This includes a strong focus on representing the interests of Aboriginal and Torres Strait Islander children, families and communities.²⁸

In its first year of operation, the QFCC has undertaken the following activities to support its overarching mandate:

- launched the first phase of the 'Talking Families' social marketing campaign to help educate families and communities about their role in keeping children and young people safe in the home;
- developed a framework to guide the evaluation of the child protection reforms;
- commenced partnerships with government and non-government organisations and service providers to assess opportunities to build capacity, skill and knowledge;
- developed the business requirements for a Community Services Directory, which will allow families and professional service providers easier access to services that can support them;
- maintained a register of child deaths in Queensland and reported on those deaths to the Premier. The Annual Report: Deaths of children and young people Queensland 2013–14 was tabled in Queensland Parliament on 26 November 2014.²⁹

²⁶ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 115

²⁷ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 115

²⁸ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 51

²⁹ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 51

3.6.1 QFCC: 2015-16 objectives

The QFCC strategic objectives in 2015-16 are to:

- take learnings from the first phase of the Talking Families campaign and apply them to subsequent phases of the public education campaign;
- partner with the Department of Communities, Child Safety and Disability Services to implement a Community Services Directory;
- develop and implement sector-wide cultural change management with the child protection Reform Leaders Group;
- lead the development of a cross-sector Workforce Planning and Development Strategy;
- lead the development of a Capacity Building and Governance Strategy for non-government agencies;
- develop a three year rolling research program, which will contribute to knowledge and practice in child protection;
- support agencies to implement evaluations relating to the child protection reforms in accordance with the framework;
- maintain a register of child deaths in Queensland and reporting annually on those deaths;
- develop key resources and information for children and families to assist their understanding of the child protection system and their rights within that system.³⁰

3.7 Queensland Art Gallery

The Queensland Art Gallery of Modern Art (QAGOMA) contributes to the cultural, social and intellectual development of all Queenslanders. The gallery's strategic objectives are to: build Queensland's globally significant collection and deliver compelling exhibitions; connect people with the enduring power of art and ideas; and build our community of partners and organisational capability to deliver the best value for Queensland.³¹

In the past three years, the QAGOMA has hosted six ticketed international exclusive-to-Brisbane exhibitions, presented APT7, the seventh iteration of its flagship exhibition series, and attracted over 3.7 million onsite visits.³²

3.7.1 QAGOMA 2015-16 objectives

During 2015-16, the QAGOMA will:

- launch the Asia Pacific Council (APC), a new body committed to establishing ongoing funding for the APT and its associated acquisitions, commissions and programs;
- showcase Queensland art through an exhibition and interactive project with leading artist Robert MacPherson; a major group exhibition of emerging, mid-career and senior artists; and a major retrospective of one of Queensland's most senior Indigenous artists, Mirdidingkingathi Juwarrnda (Mrs Gabori);

³⁰ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 51-52

³¹ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 60

³² Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 60

- curate an exclusive major ticketed exhibition of work by American photographer Cindy Sherman, one of the most important artists working today.³³

3.7.2 Issues raised at the public hearing – QAGOMA

Issues raised by the Committee in relation to the QAGOMA included:

- activities and events scheduled for QAGOMA's 10th anniversary in December 2016.

3.8 Queensland Museum

The strategic direction of the Queensland Museum is to ensure that Queenslanders can be inspired to discover, value and celebrate the state's distinctive natural and cultural diversity. The museum does this through the activities of its network of seven public museums, and through outreach into Queensland communities.³⁴

In the past three years, the museum attracted over 4 million onsite visitors, delivered object-based educational activities to over 2.3 million Queensland school students and discovered 500 new species. In 2014-15, the museum has become the most visited museum in Australia with an estimated 1.6 million visitors (with 1.35 million visiting the Queensland Museum and Sciencentre at South Bank) and 1.4 million visitors online.³⁵

3.8.1 Queensland Museum 2015-16 objectives

During 2015-16, the museum will:

- host the World Science Festival, 9-13 March 2016;
- present major exhibitions including Dinosaur Discoveries, Medieval Power from the British Museum (an Australian exclusive) and Hadron Collider from the Science Museum London;
- undertake a progressive permanent gallery renewal program with strong Queensland content at Queensland Museum;
- support the Advance Queensland initiative and the Science and Innovation Action Plan which aims to make Queensland one of the leading states for student literacy and numeracy by 2020 by delivering new STEM projects across all campuses.³⁶

3.8.2 Issues raised at the public hearing – Queensland Museum

Issues raised by the Committee in relation to the museum included:

- promotion of science education.

³³ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 60

³⁴ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 69

³⁵ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 69

³⁶ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 69

3.9 Queensland Performing Arts Trust

The Queensland Performing Arts Trust (QPAT) manages Queensland's flagship performing arts venue - the Queensland Performing Arts Centre (QPAC). QPAC's purpose is to contribute to the social, cultural and intellectual development of Queenslanders. QPAC's strategic direction is summarised by four objectives:

- curate a broad relevant program that offers high quality artistic experiences;
- create multidimensional experiences that attract local, national and international visitors;
- enhance arts learning with audiences and the public and demonstrate leadership in thinking and practice; and
- build financial and organisational resources that promote agility, vitality and responsiveness.³⁷

QPAC is a recognised cultural leader and delivers artistic, social, economic and cultural returns on arts and cultural investment for Queenslanders and Queensland artists and arts companies. QPAC's contribution to the growth of public value can be seen through the centre's diverse programming which brings a range of exceptional experiences to wide audiences. In 2014-15, QPAC has presented:

- an exclusive season of the American Ballet Theatre in collaboration with Tourism and Events Queensland;
- two major musicals, *The Lion King* and *WICKED*, which attracted a combined audience of 395,046;
- partnership with Brisbane Festival and Opera Queensland.³⁸

3.9.1 QPAC 2015-16 objectives

During 2015-16, QPAC will:

- present the signature events Out of the Box Festival for Children and Clancestry – a celebration of country;
- present four major musicals including *Les Miserables*;
- commence the implementation of a new fundraising framework;
- launch a new membership program.

3.9.2 Issues raised at the public hearing – QPAC

Issues raised by the Committee in relation to QPAC included:

- budget support for the Arts;
- upcoming events and programs for QPAC.

³⁷ Queensland Government, *State Budget 2015-16 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 77*

³⁸ Queensland Government, *State Budget 2015-16 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2015: 77*

3.10 Committee comments

3.10.1 Non-government Members comments

The non-government Members of the Committee make the following observations with regard to the Committee Hearings:

Initial Comment

The referral of the Member for Bundamba to the Ethics Committee on the morning of the first Committee hearings was a clear political attempt to protect the Premier (and subsequently other Ministers) from answering questions about the Police Minister. Non-government Members felt legitimate lines of questioning in relation to the appropriation – which included clear references to the Service Delivery Statements – were in many cases unable to be explored by the Committee during the hearing.

Department of Premier and Cabinet

The total amount of time allocated for the Committee to review the Department of Premier and Cabinet in 2015 (3 hours 45 minutes) was a full two hours less than under the same process in 2014 (5 hours 47 minutes), thereby reducing the overall capacity of the Committee to scrutinise the appropriations of the Department.

The non-government Members had many other questions they would have like to have put to the Premier about the appropriations, but was unable to due to the time available.

The claimed “openness and accountability” of the Government was compromised when the Premier failed to clearly outline the contacts made by Mr Terry Mackenroth, whilst working in the Premier’s Office, during the transition to Government period. It is a matter of public record that businesses were contacted in this period by Mr Mackenroth and were instructed on what they needed to do to have their projects approved.

The failure of the Premier to outline the remuneration of Director’s General and her elusive responses to the Question Taken on Notice regarding staff remuneration levels in Ministerial Offices further undermined the Government’s claims of “openness and accountability”.

It was clear throughout the entire Estimates process that there was a clear break-down in communication between the Premier and the Minister Assisting the Premier for North Queensland as to the their respective responsibilities in answering to the Estimates Hearings on the appropriation for the North Queensland component of the Minister’s responsibilities.

Arts

The non-government Members are concerned that the budget lacks any real long-term vision for the future of the cultural precinct in Queensland, and in particular the capacity issues that are already a reality now.

In Government, the LNP had been consulting on a Cultural Precinct Plan that would increase capacity at the precinct and recent media reports about the lack of theatre space and doubling the size of the museum.

The non-government Members also have concerns that the recent heritage listing of the cultural precinct means that any capacity building or extensions will be significantly delayed, although they need not be.

There has been mention of a new theatre as part of the Queen’s Wharf Development, however there has been very little information about that proposal, including whether a new theatre would be located on the north side of the Brisbane River, or as part of the cultural precinct at Southbank.

3.10.2 Government Members comments

Initial comment

Government Members congratulate the Premier and Minister for the Arts, for the open and considered manner in which she responded to the questions of the Committee during and prior to the Estimates hearings.

Government Members consider the Estimates process a fundamental feature of the Westminster system, and a critical opportunity for ensuring the transparency and accountability of Government. They believe that the community has high expectations of Parliament in this regard; and that they desire their parliamentarians to scrutinise Government expenditure with seriousness and to treat the process with the greatest respect.

Government members are particularly pleased to see that the 2015 Estimates hearings have moved from the concurrent schedules which were in place in the 2014 hearings, to consecutive hearings, thus allowing for greater scrutiny.

It is on this basis government Members were disappointed that a number of the non-government Members treated the Estimates hearings with such disdain – sensationalising the process for political purposes by repeatedly asking questions which clearly breached Standing Orders, rather than seeking genuine answers to questions which should be asked of any government.

Government Members noted the issues raised by non-government Members regarding the allocation of time for the Estimates schedule for the Finance and Administration Committee. They made several points in this regard:

- (i) The hearing schedule was unanimously agreed upon by the Committee in its meeting of 17 July 2015.
- (ii) Significant periods of time were taken up by non-government Members during the Estimates hearings in repeatedly asking questions which breached Standing Orders, and which were therefore ruled out of order. This time could have been more fruitfully allocated to the scrutiny of the Appropriations Bills.
- (iii) Non-government Members were allocated 52.5 per cent of the question time for the hearings, while government Members were allocated 43.8 per cent, and 3.7 per cent of the time went to “other” (for example the Chair and Ministerial statements).
- (iv) No concerns were raised with the Chair by non-government Members during the course of the hearings regarding allocations of time.

Department of Premier and Cabinet

Government members congratulate the Premier for leading the Government in the development of a Budget which delivers jobs now and jobs for the future, and which restores important frontline services particularly in health and education.

Government Members acknowledge the full and frank responses of the Premier to the questions, with and without notice, which were asked of her during the Estimates hearings. The fullness of these responses, including those specifically mentioned by nongovernment members, can be viewed in Hansard.

Government Members were particularly appreciative of the Premier making available to the Committee various of the officers from the agencies within her responsibility, such as the Chief Executive Officer of the Queensland Museum and the Director of the Gallery of Modern Art, in order to provide detailed responses to government Member inquiries.

Government Members note that the Minister for Disability Services, Minister for Seniors, Minister Assisting the Premier for North Queensland was available for questioning by non-government Members in four hours of Estimates Hearings on 27 August 2015.

Government Members also note, with concern, that non-government Members have questioned the actions of the Parliamentary Crime and Corruption Committee, implying a serious offence on the part of Parliamentary Crime and Corruption Committee Members. Government Members have urged non-government Members, if these concerns are genuine, to refer these matters to the Speaker.

4 Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships

The Treasurer, Minister for Employment and Industrial Relations and Minister for Aboriginal and Torres Strait Islander Partnerships has the following Ministerial and Portfolio responsibilities:

- Queensland Treasury;
- Motor Accident Insurance Commission/Nominal Defendant;
- Department of Aboriginal Affairs and Torres Strait Islander Partnerships.³⁹

4.1 Queensland Treasury

Following the State Election on 31 January 2015, Queensland Treasury's role and functions focused on supporting the Government's objectives for the community, which required some realignment and change of service functions in some areas.⁴⁰

On 1 July 2015, the Office of Fair and Safe Work Queensland was renamed the Office of Industrial Relations and joined Queensland Treasury, transferring from the Department of Justice and Attorney-General.⁴¹

As a core agency of the Queensland Government, Queensland Treasury manages the State's finances responsibly in line with the Government's fiscal principles to deliver better services for Queenslanders and advance the State's economy to support growth, investment and employment.⁴²

Four key themes underpin Queensland Treasury's strategic purpose:

- create a climate for economic growth and fiscal strength - creating an economic climate that supports growth, investment and job creation through expert advice, research and analysis;
- improve services for Queenslanders - providing economic and fiscal advice across government to guide investment in quality services for Queenslanders;
- empowering people - investing in people's growth and development;
- ensure safe, productive and fair workplaces - improving workplace health and safety, electrical safety and workers' compensation performance through the regulatory framework and the provision of services and policy advice as well as support of a productive industrial relations framework in Queensland.⁴³

³⁹ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 1

⁴⁰ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 4

⁴¹ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 4

⁴² Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 2

⁴³ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 2

Queensland Treasury's service areas are as follows:

- Fiscal
- Economic
- Commercial services
- Revenue management
- Industrial Relations
- Queensland Productivity Commission.⁴⁴

Fiscal

The Fiscal service area, as the principal source of fiscal advice, delivers the Government's policy objectives in relation to the State Budget and the State Balance Sheet.

Key activities undertaken by this service area include:

- developing and monitoring the State Budget;
- management of the State's debt and balance sheet, in accordance with Government policies;
- promoting Queensland's financial position in negotiations with the Australian Government and other states and territories;
- providing financial advice to foster statewide infrastructure development on behalf of the Government;
- implementing new whole-of-Government banking and payment services contracts, and working with Government agencies to improve the way financial dealings with suppliers, service providers and clients are managed.⁴⁵

The Fiscal service area's key priorities and initiatives for 2015-16 are to:

- deliver the 2015-16 Queensland Budget, incorporating the Government's commitments and associated funding reprioritisations;
- provide advice to Government on further options to reduce debts as part of the Government's Debt Action Plan;
- lead the establishment of three Social Benefit Bond pilots in the areas of recidivism, homelessness and issues affecting Aboriginal and Torres Strait Islander people.⁴⁶

Economic

The Economic service area's objective is to deliver the Government's policy commitments in relation to jobs and the economy.

The Economic service area undertakes a range of key activities, including:

- providing advice and oversight of macroeconomic, microeconomic and competition policies;
- developing employment policy and programs to support the Working Queensland strategy and providing advice on broader Queensland labour market issues;
- through the Queensland Government Statistician, delivering statistical and demographic research services across Government;

⁴⁴ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 1

⁴⁵ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 4

⁴⁶ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 4

- managing and coordinating intergovernmental fiscal relations issues, including national financial agreements, the distribution of the GST and national tax reform;
- assessing Government-owned corporations' (GOCs) capital investments and monitoring their financial and non-financial performance;
- driving a focus within GOCs on maximising performance and rates of return through improved commercial focus and better management of capital and operating expenses.⁴⁷

The key priorities and initiatives for 2015-16 for the Economic service area are to:

- develop policies and programs to address entrenched labour market disadvantage for key cohorts including: young people, mature aged people, Aboriginal and Torres Strait Islander people, people with disabilities, and the long-term unemployed;
- collaborate with relevant agencies to deliver the Working Queensland strategy, including evaluation of employment outcomes;
- establish the Business Development Fund to invest in innovative growing businesses based in Queensland
- collaborate with the Department of the Premier and Cabinet and relevant agencies to provide advice to Government on the Australian Government's reform of the Federation White and Green Paper process;
- engage in, and provide advice to Government on, the Australian Government's tax reform White and Green Paper process;
- update long-term population projections for Queensland and its regions for use in service delivery and infrastructure planning
- negotiate and finalise Statements of Corporate Intent that outline financial performance and returns from GOCs to Government for the year;
- work with stakeholders to progress energy and water sector reforms in line with Government objectives;
- contribute to the establishment of the Queensland Productivity Commission;
- coordinate the Queensland Government's response to the Australian Government's Competition Policy Review.⁴⁸

Commercial Services

The objective of Commercial Services is to optimise the State's investment in and provision of infrastructure to communities by investigating and evaluating funding, procurement and delivery models, and maximising private investment in Queensland's infrastructure.

The Commercial Services service area's key functions include:

- managing the procurement of all privately financed major public infrastructure and service projects;
- providing governance oversight to the delivery of privately financed major public infrastructure projects by agencies to ensure achievement of contracted value for money outcomes;

⁴⁷ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 6

⁴⁸ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 6

- providing policy advice on private sector investment in Queensland;
- providing commercial advice to the Government in relation to infrastructure projects, including potential innovative financing options and procurement models, to find ways to deliver the infrastructure prioritised and recommended by Building Queensland;
- administering the State's Public Private Partnership policy, Project Assessment and Gateway Review frameworks, and Market-led Proposals Guidelines;
- assessing and negotiating all Market-led Proposals received from private sector proponents.⁴⁹

The Commercial Services area's key priorities and initiatives for 2015-16 are to:

- finalise the Toowoomba Second Range Crossing procurement through a multi-phase competitive bid process;
- assess the financial, commercial and legal aspects of the proposals for the development of Queen's Wharf and integrated resort developments;
- continue to oversee the construction of 1 William Street, managing the State's tenancy brief and specifications in line with the existing agreement;
- progress procurement activities relating to the Herston Quarter Redevelopment Project through a competitive bid process.⁵⁰

Revenue Management

The Revenue Management service area's objective is to enable government, business and community prosperity in Queensland through best practice revenue, grants and debt management collection. The Revenue Management service area administers a revenue base of around \$13 billion by delivering and administering simple, efficient and equitable revenue management services for State taxes and royalty revenue. Additional responsibilities include undertaking revenue compliance, grant schemes and debt recovery and enforcement activities for the State.⁵¹

This service area achieves its revenue responsibilities by:

- positioning itself as a leading e-business agency with high level client support and firm and fair enforcement;
- providing responsive ongoing legislation and revenue policy advice to the State Government;
- further progressing the development and implementation of the Revenue Management System to support innovative business practices;
- developing and implementing targeted, fair and efficient infringement enforcement strategies;
- leading end-to-end penalty debt management improvements via collaborative stakeholder engagement;
- providing business intelligence and behaviour insights to inform enforcement and debt recovery policy and strategies.⁵²

⁴⁹ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 8

⁵⁰ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 8

⁵¹ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 9

⁵² Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 9

In 2015-16, the key priorities and initiatives for Revenue Management service area are to:

- integrate the Property Exchange Australia initiative to deliver a national electronic conveyancing solution to the Australian property industry;
- continue to participate in and implement the whole-of-Government One-Stop Shop initiative;
- contribute to the implementation of two Australian Government initiatives (establishing a national foreign ownership of land register and third party reporting of data to improve Australian Taxation Office compliance);
- strengthen the Office of State Revenue's capacity to manage revenue by expanding a risk-based revenue management framework;
- promote a client-centric focus and drive effective client relationship management strategies to ensure Office of State Revenue clients are well informed on the law and their rights and obligations;
- develop a new royalty rulings programme, in consultation with the Resource Consultative Committee, to provide greater certainty about royalty obligations to facilitate voluntary compliance.⁵³

Industrial Relations

The objective of the Industrial Relations service area is to increase workplace safety and electrical safety; help Queensland business, Queensland Government entities, the community and not-for profit sector get on with the job; and make Queensland workplaces a fairer and more just place to work. Services provided by the Industrial Relations service area include:

- Industrial relations policy and regulation
- Public sector industrial relations
- Administration of the Industrial Court and Commission system
- Work health and safety services
- Electrical safety services
- Workers' compensation regulator services.⁵⁴

The Industrial Relations service area's key priorities and initiatives for 2015-16 are to:

- establish the Industrial Relations Legislative Reform Reference Group, comprising government, union and academic representatives, to undertake a comprehensive review of Queensland's industrial relations laws and tribunals. The group will report to Government by December 2015 with recommendations for reform;
- advise the Government on industrial relations matters for the roll out and implementation of any remaining reforms under the 'Restoring Fairness for Government Workers' commitments;
- establishing a Charter of Queensland Workers' Rights, recognising and protecting fundamental rights of workers, including fair and equitable remuneration, hours of work and forms of leave;

⁵³ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 9

⁵⁴ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 11

- honouring the real Labour Day by restoring it to the traditional day in May;
- improving safety for Queenslanders at work by:
 - empowering trained health and safety representatives to have the authority to direct workers to cease unsafe work;
 - restoring the rights of work health and safety entry permit holders to enter potentially unsafe sites, in order to protect the safety of workers at that location;
 - reinstating the role that Codes of Practice play in preventing workplace injuries and also in prosecuting negligent employers;
 - reinstating the requirement for employers to notify the Workers' Compensation Regulator where a worker is absent from work for more than four days due to a workplace injury, to make sure that the employer is held to account for safety in their workplace;
 - reinstating the role of the Electrical Safety Commissioner, the Electrical Safety Education Committee, and the Electrical Equipment Committee;
 - ensuring a standalone Queensland Electrical Safety Office; and
 - progressing actions to restore Queensland's workers' compensation scheme, including ensuring Queenslanders injured at work get the support and protection they need to provide for their families and get back to work; restoring the rights of injured workers to access their legal rights; and reinstating injured workers' rights to sue negligent employers if injured at work.⁵⁵

Queensland Productivity Commission

The Queensland Productivity Commission (QPC) was established on 1 May 2015. The QPC will undertake independent, in-depth reviews of complex economic, industry and regulatory issues through open and transparent processes informed by wide public consultation, and formulate policy proposals and recommendations to Government to encourage economic growth, productivity and improved living standards across Queensland.⁵⁶

The Queensland Productivity Commission service area's objective is to undertake independent, in-depth reviews of complex economic, industry and regulatory issues through open and transparent processes informed by wide public consultation, and formulate policy proposals and recommendations to Government to encourage economic growth, productivity and improved living standards across Queensland.⁵⁷

The Queensland Productivity Commission area's key functions include:

- conducting public inquiries;
- regulatory guidance and advice;
- competitive neutrality advice;
- productivity research.⁵⁸

⁵⁵ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 11-12

⁵⁶ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 4

⁵⁷ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 15

⁵⁸ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 15

It has been initially set up as a Government entity under the *Public Service Act 2008* to allow a timely start to the electricity pricing inquiry. In 2015-16 it will be converted into an independent statutory body under its own enabling Act that will give it increased permanency and operational flexibility.⁵⁹

The key priorities and initiatives for the Queensland Productivity Commission area for 2015-16 are to:

- conduct an inquiry into electricity pricing;
- conduct other inquiries as requested by Government;
- deliver the Government's independent regulatory and competitive neutrality advice and guidance functions.

As a newly established entity, the appropriate efficiency and effectiveness measures will be developed for the service and will be included in a future Service Delivery Statement.⁶⁰

The following table taken from the *Appropriation Bill 2015* compares the appropriations for the department for 2014-15 (budget) and 2015-16.

| Appropriations | 2014-15 \$'000 | 2015-16 \$'000 |
|---------------------------|---------------------------|---------------------------|
| <i>Controlled Items</i> | | |
| departmental services | 193,009 | 217,173 |
| equity adjustment | 157 | 4,462 |
| <i>Administered Items</i> | 6,507,357 | 13,061,402 |
| Vote | 6,700,523 | 13,283,037 |

Source: *Appropriation Bill 2015*, Schedule 2: 14

Queensland Treasury has budgeted capital purchases of \$7.0 million in 2015-16, which comprise of the following:

- \$5.5 million in capital expenditure to support improvement to the State Penalties Enforcement Registry (SPER) system;
- \$1.5 million for ongoing asset replacement, primarily the replacement of existing IT assets, office equipment and leaseholds improvements.⁶¹

The following table provides a summary of portfolio budgets for 2014-15 (adjusted budget) in comparison to 2015-16.⁶²

| Agency | 2014-15 \$'000 | 2015-16 \$'000 |
|---------------------|---------------------------|---------------------------|
| Queensland Treasury | | |
| – controlled | 203,033 | 330,415 |
| – administered | 37,638,335 | 37,836,091 |

Source: Queensland Government, *State Budget 2015-16 Service Delivery Statements – Queensland Treasury*

⁵⁹ Queensland Government, *State Budget 2015-16 Service Delivery Statements, Queensland Treasury*, 2015: 15

⁶⁰ Queensland Government, *State Budget 2015-16 Service Delivery Statements, Queensland Treasury*, 2015: 15

⁶¹ Queensland Government, *State Budget 2015-16 Capital Statement - Budget Paper No. 3*, 2015: 124

⁶² The table indicates the agency budget. It may not represent the actual appropriation.

4.1.1 Budget highlights – Queensland Treasury

During 2015-16, Queensland Treasury's key priorities and initiatives are to:

- deliver the 2015-16 Queensland Budget, incorporating the Government's election commitments and associated funding reprioritisations;
- as part of phase two of the Government's Debt Action Plan, undertake analysis of options for further debt reduction;
- develop policies and programs to address entrenched labour market disadvantage for key cohorts including: young people, mature aged people, Aboriginal and Torres Strait Islander people, people with disabilities, and the long-term unemployed;
- collaborate with relevant agencies to deliver the Working Queensland strategy, including skills and evaluation of employment outcomes;
- establish the Business Development Fund to invest in innovative growing businesses based in Queensland;
- collaborate with the Department of the Premier and Cabinet and relevant agencies to provide advice to Government on the Australian Government's reform of the Federation White and Green Paper process;
- engage in, and provide advice to Government on, the Australian Government's tax reform White and Green Paper process;
- contribute to the establishment of the Queensland Productivity Commission;
- progress procurement activities relating to the Herston Quarter Redevelopment Project through a competitive bid process;
- finalise the Toowoomba Second Range Crossing procurement through a multi-phase competitive bid process;
- develop a new royalty rulings programme, in consultation with the Resource Consultative Committee, to provide greater certainty about royalty obligations to facilitate voluntary compliance;
- improve health, safety and fairness in the workplace;
- lead the establishment of three Social Benefit Bond pilots in the areas of recidivism, homelessness and issues affecting Aboriginal and Torres Strait Islander people;
- progress consideration of the National Injury Insurance Scheme (NIIS) with a focus on the provision of reasonable and necessary lifetime care and support for people catastrophically injured in road traffic crashes and workplace accidents.⁶³

Queensland Treasury consider that the following major factors may have an impact on their above objectives:

- changes in international and national financial and economic conditions;
- Australian Government's White and Green Paper processes on reform of the Federation and tax reform;
- volatility in coal and petroleum royalties due to variations in international commodity pricing;

⁶³ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 2-3

- impacts from Australian Government budget decisions;
- changes in relativities used by the Commonwealth Grants Commission, impacting on GST receipts;
- the impact of a competitive workforce market and demand pressures from population growth and changing demographics in Queensland;
- natural disasters.⁶⁴

4.1.2 Issues raised at the public hearing – Queensland Treasury

Issues raised by Queensland Treasury included:

- impacts of Commonwealth Government’s reduction in funding on state budget;
- budget measures for debt reduction;
- electricity GOCs;
- business confidence measures, and household consumption (surveys of consumer sentiment) and dwelling investments;
- progress of 1 William Street construction project;
- long service leave provisions – defined benefit scheme;
- investments under the Long Term Asset Advisory Board (LTAAB) and management of the defined benefit scheme in relation to reduction of general government sector debt;
- alternative choices with debt reduction and non-financial public sector borrowings;
- state’s forecast operating balance compared to previous budgets and cumulative operating surplus in comparison to other states;
- actuarial report and funding valuations;
- government’s fiscal principles;
- government capital program in 2015-16 and over forward estimates.

4.1.2 Issues raised at the public hearing – Employment and Industrial Relations

Issues raised in relation to employment and industrial relations included:

- employment security in the public sector;
- revised approach to enterprise bargaining within the public sector and within GOCs;
- update on workplace injuries in Queensland and department’s role in reducing those injuries;
- union encouragement policy– details of existing public servants;
- union encouragement policy – union delegates reasonable access to workplaces;
- union encouragement policy – training provided to managers in relation to different options available to employees;
- role of Workplace Health and Safety Queensland in assisting families affected by workplace fatalities;
- community information for the promotion of workplace safety and electrical safety;
- government response and implementation of the coroner’s inquest in July 2013;

⁶⁴ Queensland Government, State Budget 2015-16 *Service Delivery Statements*, Queensland Treasury, 2015: 3

- update on the Industrial Relations Legislative Reform Reference Group and review of the Queensland Industrial Relations Commission;
- budget and staff numbers for the Building Construction Compliance Branch.

There was one question taken on notice relating to the Industrial Relations Legislative Reform Reference Group. The answer to this questions are included in a volume of additional information tabled with this report.

4.2 Motor Accident Insurance Commission/Nominal Defendant

The Motor Accident Insurance Commission (MAIC) and Nominal Defendant statutory bodies are focused on ensuring financial protection that makes Queensland stronger, fairer and safer. MAIC’s role is to regulate and improve Queensland’s compulsory third party (CTP) insurance scheme and manage the Motor Accident Insurance and Nominal Defendant funds. The Nominal Defendant’s role is to compensate people who are injured as a result of negligent driving of unidentified and/or motor vehicles with no CTP insurance, and act as the insurer of last resort by meeting the claim costs of any licensed insurer who may become insolvent.⁶⁵

The strategic objectives of the MAIC and the Nominal Defendant in 2015-16 are to:

- provide a viable and equitable personal injury motor accident insurance scheme
- continually improve the operational performance of the Nominal Defendant
- provide a corporate governance model that facilitates MAIC’s vision and meets the State’s financial and performance requirements.⁶⁶

The following table provides a summary of budgets for 2014-15 in comparison to 2015-16.⁶⁷

| Agency | 2014-15 \$’000 | 2015-16 \$’000 |
|-------------------------------------|-------------------|-------------------|
| Motor Accident Insurance Commission | 22,859 | 22,978 |

Source: Queensland Government, State Budget 2015-16 *Service Delivery Statements – Queensland Treasury*

4.3 Department of Torres Strait Islander Partnerships

The Department of Aboriginal and Torres Strait Islander Partnerships’ vision is for Aboriginal people and Torres Strait Islander people to participate fully in Queensland’s vibrant economic, social and cultural life. This vision will be achieved by increasing the economic participation and improving the community participation of Aboriginal and Torres Strait Islander Queenslanders.⁶⁸

For 2015-16, the department’s key priorities are as follows:

- brokering employment and career opportunities for Aboriginal people and Torres Strait Islander people, particularly Year 12 school leavers
- assisting aspiring Aboriginal and Torres Strait Islander home owners to move towards home ownership
- supporting communities to identify their preferred way to reduce alcohol-related violence

⁶⁵ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 40

⁶⁶ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 40

⁶⁷ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Queensland Treasury*, 2015: 43

⁶⁸ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Department of Aboriginal and Torres Strait Islander Partnerships*, 2015: 2

- establishing a fund to address the needs for reparations for the government control of wages and savings
- supporting communities in restoring social norms, re-establishing local authority and maximising local decision making through the delivery of programs including Welfare Reform
- leading the implementation of the whole-of-government Cultural Capability Framework.⁶⁹

The following table taken from the *Appropriation Bill 2015* compares the appropriations for the department for 2014-15 (budget) and 2015-16.

| Appropriations | 2014-15 \$'000 | 2015-16 \$'000 |
|---------------------------|---------------------------|---------------------------|
| <i>Controlled Items</i> | | |
| departmental services | 58,012 | 55,181 |
| equity adjustment | - | - |
| <i>Administered Items</i> | 8,100 | 9,935 |
| Vote | 66,112 | 65,116 |

Source: *Appropriation Bill 2015*, Schedule 2: 7

The total capital purchases for the Department of Aboriginal and Torres Strait Islander Partnerships are estimated to be \$1.1 million in 2015-16. Total capital grants for the department are estimated to be \$27.2 million in 2015-16. The capital allocations are as follows:

Program Highlights (Property, Plant and Equipment)

- \$505,000 for plant and equipment replacement in the Retail Stores; and
- \$615,000 for other property plant and equipment.

Program Highlights (Capital Grants)

- \$27.2 million for programs to develop land infrastructure and subdivisions for social housing in remote and discrete Indigenous communities.⁷⁰

4.1.1 Issues raised at the public hearing – Aboriginal and Torres Strait Islander Partnerships

- Stolen Wages Taskforce – funding and stakeholder involvement;
- role of the Department of Aboriginal Affairs Torres Strait Islander Partnerships (DATSIP) in influencing policy outcomes;
- response to the report of the Domestic and Family Violence Taskforce;
- Family Responsibilities Commission;
- department-run retail stores in regional communities;
- job creation strategy for Aboriginal and Torres Strait Islander people, and programs such as Youth Employment Program.

⁶⁹ Queensland Government, State Budget 2015-16 *Service Delivery Statements, Department of Aboriginal and Torres Strait Islander Partnerships*, 2015: 3

⁷⁰ Queensland Government, State Budget 2015-16 *Capital Statement - Budget Paper No. 3*, 2015: 24

4.4 Committee comments

4.4.1 Non-government Members comments

The non-government Members of the Committee make the following observations with regard to the Committee hearings:

Treasurer

The total amount of time allocated for the Committee to question the Treasurer in his numerous responsibilities in 2015 (4 hours) was 1 hour 49 minutes less than under the same process in 2014 (5 hours 49 minutes), thereby reducing the overall capacity of the Committee to scrutinise the relevant appropriations.

The non-government Members had many other questions they would have like to have put to the Treasurer about the appropriations, but was unable to due to the time available.

Treasury

The non-government Members were disappointed with the defensive way in which the Treasurer answered non-government questions. The LNP Opposition had legitimate questions about the implications of drawing down the \$3.4 billion long service leave fund and the ongoing impact of that on the budget which went unanswered.

The Treasurer refused to release the modelling from Orion Consulting Network, referenced during the 2015 election campaign, that reportedly shows aggregating the state-owned electricity businesses will save \$150 million annually.

During the estimates hearing, the Treasurer claimed Treasury modelling had confirmed those numbers:

We anticipated before the election that we could potentially save \$150 million a year with a merger process. That is what we went to the Queensland people and told them. That is exactly what Treasury has confirmed.⁷¹

However, the Treasurer rejected requests to release the modelling to allow for greater public scrutiny of these numbers.

The Treasurer did confirm that the \$150 million in savings promised in the 'Our State Our Assets' pre-election fiscal strategy document are not reflected in the budget papers. Quite clearly, he said:

The savings are not in the budget.⁷²

The non-government Members see this as a confirmation of a broken election promise. Labor's fiscal strategy from the 2015 election outlines savings of \$82.5 million in 2015-16 from merging these businesses. The Treasurer admitted during estimates that these numbers are not reflected in the budget. He also admitted that the structure of the merger proposal could change, but failed to provide any further detail to the committee as to what this might look like.

⁷¹ Mr Pitt, Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships, Public hearing transcript 18 August 2015: 62

⁷² Mr Pitt, Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships, Public hearing transcript 18 August 2015: 62

Another broken promise is the failure to create a debt reduction trust. A clear part of Labor's pre-election fiscal strategy was to use two-thirds of the returns from the government-owned corporations to pay down debt. The 'Our State Our Assets' document includes this statement:

This debt pay down schedule is conservative as it assumes no growth in revenue from income-earning government businesses beyond the forward estimates.⁷³

However, during questioning in estimates, the Treasurer was forced to admit the 'conservative' numbers presented in Labor's pre-election fiscal strategy did not add up:

The ability of our government owned electricity businesses to yield the same sorts of profits that they were yielding, of course, has been curtailed by the AER.⁷⁴

The non-government Members were disappointed with the Treasurer's answers to questions regarding the management of the government owned corporations and their dividends. Instead of providing an informed response to the committee, the Treasurer in many instances tried to answer questions by simply criticising the actions of the previous LNP government.

For example:

I find it galling that there is any suggestion about what we should or should not be doing with these businesses and what we should be using these dividends for when under the LNP's plan we would not own those businesses and there would be no dividends. You are trying to split hairs.⁷⁵

This flies in the face of the open and accountable government the Premier pledged to lead.

The non-government Members also believe significant questions remain regarding the government's plans to potentially allow for the defined benefit scheme to buy into state-owned companies. Most concerning is the fact that these plans are being considered in secrecy.

The non-government Members major concern is that what has been presented in the budget papers in no way reflects what the Labor Party promised during the 2015 election. The government was not upfront with the people of Queensland then, and their actions during this estimates process show they are not being upfront with the people of Queensland now.

Industrial Relations

The non-government Members note that there still seems to be confusion on the union encouragement policies which have been re-instated by the Government and this was confirmed by the answers given by the Treasurer and the Department during the Estimates hearings.

Despite the Treasurer saying that the union encouragement policy will apply to 'new starters', the Department confirmed that:

...the union encouragement policy also ensures that unions have access to the workplace under the Industrial Relations Act and therefore have ongoing access to people within the workplace to raise issues and also, obviously, on an ongoing basis to highlight their services and to seek to undertake activities that unions typically do, which would also include seeking to get people to join their organisation. That is how the union encouragement process works.⁷⁶

⁷³ Australian Labor Party, *Our State Our Assets – Labor's fiscal strategy and debt action plan*, January 2015: 10

⁷⁴ Mr Pitt, Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships, Public hearing transcript 18 August 2015: 85

⁷⁵ Mr Pitt, Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships, Public hearing transcript 18 August 2015: 85

⁷⁶ Mr Pitt, Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships, Public hearing transcript 18 August 2015: 94

The Treasurer also confirmed that no cost assessment has been made by the government, in terms of providing union delegates with reasonable access to taxpayer funded facilities, for the purposes of undertaking union activities. All that is taken as a guidelines is a 'common sense test'.

Passive acceptance by managers and supervisors of the union encouragement policy does not satisfy the government's requirement, yet the Treasurer could not outline the cost implications or any whole-of-government policy in relation to the training that is provided to managers or supervisors in order for them to know what they need to do to comply with the government's policy.

The Service Delivery Statement refers to the establishment of an Industrial Relations Legislative Reform Reference Group, which is to undertake a comprehensive review of the Act, by December 2015, but at the time of Estimates the group had not yet been established. It seems that questions on this issue may have sparked the Treasurer into action, as the Group was announced two days after the Estimates hearing. The timing of this announcement could be coincidental, however, the LNP will be monitoring to ensure that any such review of the legislation is done with the input of Queenslanders, through a public consultation process.

Finally, the former LNP Government established the Building Construction and Compliance Branch (BCCB) under the Office of Private Sector Industrial Relations, to oversee and ensure that workplace relations issues were appropriately managed on construction sites of companies wanting to tender for government contracts. Despite repeated questions about the resourcing of the BCCB, the government refused to say how many dedicated staff work in this section of the department still, leading to the conclusion that the BCCB is basically in operation by name only and that the important specific tasks it was required to undertake have now been absorbed back into the general policy and legislative issues covered by the Industrial Relations Policy and Regulation Division.

This is a concern, particularly when productivity issues on Queensland construction sites have continued to escalate in recent years, with various media reports highlighting the issues of the rule of law not being followed as well as other well-known industrial disputation tactics employed by unions, such as the CFMEU. Industry associations have estimated that these unproductive industrial arrangements drive up the cost of construction in Queensland, by some 15-20 per cent, which is a real concern to the future employment availability in the sector.

Aboriginal and Torres Strait Islander Partnerships

The non-government Members were disappointed with the Treasurer's response to genuine questions and concerns regarding the Queensland Council of Unions involvement in the establishment of the Stolen Wages Taskforce. We believe there is ambiguity and inconsistency in this area and the lack of detail provided by the Treasurer requires further analysis.

4.4.2 Government Members comments

Initial comment

Government Members congratulate the Treasurer, Minister for Employment and Industrial Relations, and Minister for Aboriginal and Torres Strait Islander Partnerships for the open and considered manner in which he responded to the questions of the Committee during and prior to the Estimates hearings.

Government Members consider the Estimates process a fundamental feature of the Westminster system, and a critical opportunity for ensuring the transparency and accountability of Government. They believe that the community has high expectations of Parliament in this regard; and that they desire their parliamentarians to scrutinise Government expenditure with seriousness and to treat the process with the greatest respect.

Government members are particularly pleased to see that the 2015 Estimates hearings have moved from the concurrent schedules which were in place in the 2014 hearings, to consecutive hearings, thus allowing for greater scrutiny.

It is on this basis government Members were disappointed that a number of the non-government Members treated the Estimates hearings with such disdain – sensationalising the process for political purposes by repeatedly asking questions which clearly breached Standing Orders, rather than seeking genuine answers to questions which should be asked of any Government.

Government Members noted the issues raised by nongovernment members regarding the allocation of time for the Estimates schedule for the Finance and Administration Committee. They made several points in this regard:

- (i) The hearing schedule was unanimously agreed upon by the Committee in its meeting of 17 July 2015.
- (ii) Significant periods of time were taken up by non-government Members during the Estimates hearings in repeatedly asking questions which breached Standing Orders, and which were therefore ruled out of order. This time could have been more fruitfully allocated to the scrutiny of the Appropriations Bills.
- (iii) Non-government Members were allocated 52.5 per cent of the question time for the hearings, while Government Members were allocated 43.8 per cent, and 3.7 per cent of the time went to “other” (for example the Chair and Ministerial statements).
- (iv) No concerns were raised with the Chair by non-government Members during the course of the hearings regarding allocations of time.

Treasury

Government Members congratulate the Treasurer on a Budget which grows the economy, generates jobs and restores frontline services. They note that the Budget meets all of the government’s election commitments by smart savings, including the reduction of general government sector debt.

Government Members note the detailed responses which were provided by the Treasurer to each question asked by government and non-government Members. The thoroughness of his responses, most going to significant length, is available for viewing in Hansard.

Government Members were concerned to see what appear to be a number of misrepresentations by non-government Members in their Committee comments, about the detail provided by the Treasurer. Scrutiny of the Hansard records shows, that in almost every example provided by non-government Members in this regard, with the apparent intent of discrediting the Treasurer’s evidence – either the full quotes of the Treasurer, or the full context of those quotes, were not referenced.

For example, regarding a question about Treasury modelling on the aggregation of electricity businesses – non-government Members provide only a partial quote of the Treasurer’s response, where Hansard shows that the full response from the Treasurer included the words:

It would be irresponsible and completely improper to have savings factored into the budget of entities that have not yet been merged. I am not sure if that is the way you would approach it. It is very clearly impossible to have savings built into the budget already.⁷⁷

⁷⁷ Mr Pitt, Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships, Public hearing transcript 18 August 2015: 62

Industrial Relations

Government Members congratulate the Minister for Employment and Industrial Relations for the industrial relations reforms he has already and still intends to introduce to Parliament including those which restore certainty and stability for public sector employees.

Government Members note the detailed responses which were provided by the Treasurer to each question asked by government and non-government Members. The thoroughness of his responses, most going to significant length, is available for viewing in Hansard.

Government Members were concerned to see what appear to be a number of misrepresentations by non-government Members in their Committee comments, about the detail provided by the Treasurer. Scrutiny of the Hansard records shows, that in almost every example provided by non-government Members in this regards, with the apparent intent of discrediting the Treasurer's evidence – either the full quotes of the Treasurer, or the full context of those quotes, were not referenced, or they were misquoted.

Government Members express their disappointment on behalf of the community that the Estimates process has been used in this manner.

Aboriginal and Torres Strait Islander Partnerships

Government Members congratulate the Minister for his long-standing and well-recognised commitment to advancing the economic, social and cultural lives of Aboriginal and Torres Strait Islander peoples.

Government Members note the detailed responses which were provided by the Treasurer to each question asked by government and non-government Members. The thoroughness of his responses, most going to significant length, is available for viewing in Hansard.

Government Members were concerned to see what appear to be a number of misrepresentations by non-government Members in their Committee comments, about the detail provided by the Treasurer. Scrutiny of the Hansard records shows, that in almost every example provided by nongovernment members in this regards, with the apparent intent of discrediting the Treasurer's evidence – either the full quotes of the Treasurer, or the full context of those quotes, were not referenced, or they were misquoted.

Government Members note that non-government Members were allocated 63.3 per cent of the question time in this session. They were particularly disappointed that non-government Members used this time for political purposes i.e. to continue a line of questioning about union encouragement clauses which were clearly not relevant to the Appropriations Bill for this department – rather than to interrogate some of the serious issues which face Aboriginal and Torres Strait Islander peoples.