



2018-19 Budget Estimates – Appropriation Bill 2018

**Report No. 11, 56th Parliament
Economics and Governance Committee
August 2018**

Economics and Governance Committee

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Acknowledgements

The committee thanks the Premier and Minister for Trade; the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships; and the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs.

The committee also acknowledges the assistance provided by departmental officers who contributed to the work of the committee during the estimates process.

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Abbreviations

committee	Economics and Governance Committee
CRRDA	Cross River Rail Delivery Authority
CTP	compulsory third-party
DATSIP	Department of Aboriginal and Torres Strait Islander Partnerships
DLGRMA	Department of Local Government, Racing and Multicultural Affairs
DPC	Department of the Premier and Cabinet
MAIC	Motor Accident Insurance Commission
Office	Office of the Governor
PSC	Public Service Commission
QAO	Queensland Audit Office
QPC	Queensland Productivity Commission
QRIC	Queensland Racing Integrity Commission
QT	Queensland Treasury
SDS	Service Delivery Statements
SPER	State Penalty Enforcement Registry
TIQ	Trade and Investment Queensland

Chair's foreword

This report presents a summary of the Economics and Governance Committee's examination of the Budget Estimates for the 2018-19 financial budget contained in the Appropriation Bill 2018 for the committee's areas of responsibility.

Consideration of the budget estimates allows for the public examination of the responsible Ministers and the chief executive officers of agencies within the committee's portfolio areas. This was undertaken through questions on notice and a public hearing process.


The committee has recommended that the proposed expenditure, as detailed in the Appropriation Bill 2018 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

On behalf of the committee, I thank the Premier and Minister for Trade, the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships, the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs. I also thank Ministers' departmental officers and statutory authority officials for their cooperation in providing information to the committee through this process.

I would also like to thank the committee members for their hard work and contribution to the estimates process, and other members whose participation in the hearing provided additional scrutiny of estimates.

Finally, I thank the committee's secretariat and other Parliamentary Service staff for their assistance throughout the estimates process.

I commend this report to the House.



Linus Power MP

Chair

1 Introduction

1.1 Role of the committee

The Economics and Governance Committee (the committee) is a portfolio committee of the Legislative Assembly.¹ The committee's areas of portfolio responsibility are:

- Premier and Cabinet, and Trade
- Treasury, and Aboriginal and Torres Strait Islander Partnerships, and
- Local Government, Racing and Multicultural Affairs.²

The committee also has oversight functions in relation to the Queensland Audit Office, the Integrity Commissioner, and the Family Responsibilities Commission.

On 15 June 2018, the Appropriation Bill 2018 and the estimates for the committee's areas of responsibility were referred to the committee for investigation and report.³ The committee conducted a public hearing on 24 July 2018 and took evidence about the proposed expenditure from the:

- Premier and Minister for Trade
- Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships, and
- Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs.

A copy of the transcript of the hearing is available on the committee's webpage.

1.2 Aim of the report

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

Prior to the public hearing, the committee provided the Premier and Minister for Trade, the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships, the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs, with questions on notice in relation to the estimates. Responses to all questions were received.

The minutes of estimates meetings, correspondence about requests for leave to attend and ask questions, pre-hearing questions on notice and answers, documents tabled at the hearing, questions taken on notice at the hearing and answers, and additional information provided after the hearing are included in a volume of additional information tabled with this report.

1.3 Other Members' participation

The committee gave leave for other Members to participate in the hearing pursuant to Standing Order 181(e).

¹ The committee was established on 15 February 2018 under the *Parliament of Queensland Act 2001* (POQA) section 88 and the Standing Rules and Orders of the Legislative Assembly (Standing Orders), SO 194.

² POQA, s 88; Standing Orders, SO 194, sch 6.

³ Standing Order 177 provides for the automatic referral of the annual Appropriation Bills to portfolio committees once the Bills have been read a second time.

The following Members participated in the committee's Estimates hearing for the Appropriation Bill 2018:

- Deb Frecklington, Member for Nanango, Leader of the Opposition and Shadow Minister for Trade
- Tim Mander, Member for Everton, Deputy Leader of the Opposition and Shadow Treasurer
- Dr Christian Rowan, Member for Moggill, Shadow Minister for Communities, Shadow Minister for Disability Services and Seniors, Shadow Minister for Aboriginal and Torres Strait Islander Partnerships and Shadow Minister for the Arts
- Ann Leahy, Member for Warrego, Shadow Minister for Local Government
- John-Paul Langbroek, Member for Surfers Paradise, Shadow Minister for Sport and Racing, Shadow Minister for Multicultural Affairs, and Shadow Minister for the Commonwealth Games
- Michael Berkman, Member for Maiwar
- Sandy Bolton, Member for Noosa.

2 Recommendation

Recommendation 1

The committee recommends that the proposed expenditure, as detailed in the Appropriation Bill 2018 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3 Premier and Minister for Trade

The agencies, services and statutory authorities that are the responsibility of the Premier and Minister for Trade are:

- Department of the Premier and Cabinet (DPC)
- Trade and Investment Queensland (TIQ)
- Screen Queensland
- Office of the Governor (the Office)
- Public Service Commission (PSC)
- Office of the Integrity Commissioner
- Queensland Audit Office (QAO).⁴

3.1 Department of the Premier and Cabinet

DPC is the lead, central agency of the Queensland public service. Its objectives are to:

- lead public policy across government, ensuring effective outcomes for Queenslanders
- ensure the delivery of a strong system of government
- inform the strategic direction of government
- maintain a high-performing and responsive workforce.⁵

DPC activities are coordinated through four service areas - Policy Advice and Coordination, and Cabinet Support, Strategy and Engagement, Government Services, and Legislative Drafting and e-Publishing.

Policy Advice and Coordination and Cabinet Support provides coordinated policy advice to the Premier, Cabinet and Minister Assisting the Premier, provides policy leadership across government and advances government policy priorities. This area also provides support for the operation of Cabinet and its related processes and supports the Government's accountability to the Parliament.⁶

Strategy and Engagement takes a leadership role in driving innovation and whole-of-government policy, and represents Queensland in intergovernmental matters leading strategic communications and external and international engagement for the Queensland Government.⁷

Government Services provides policy and operational advice and support to the Premier in relation to executive government and machinery-of-government matters, supports the administration of business before Executive Council, and provides support services to Ministerial Offices and the Office of the Leader of the Opposition. The area also manages and coordinates the Anzac Centenary commemoration program.⁸

Legislative Drafting and e-Publishing, through the Office of the Queensland Parliamentary Counsel (OQPC), provides drafting and e-publishing services for Queensland legislation. The area also advises on the application of fundamental legislative principles to ensure legislation has sufficient regard to the rights and liberties of individuals and the institution of Parliament.⁹

⁴ Queensland Budget 2018-19, *Service Delivery Statements (SDS): Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, pp 1-2, 10, 59.

⁵ Queensland Budget 2018-19, *SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 3.

⁶ Queensland Budget 2018-19, *SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 4.

⁷ Queensland Budget 2018-19, *SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 6.

⁸ Queensland Budget 2018-19, *SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 8.

⁹ Queensland Budget 2018-19, *SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 9.

DPC also administers funding for Trade and Investment Queensland and Screen Queensland. TIQ is a statutory body under the *Trade and Investment Queensland Act 2013*. TIQ is the Queensland Government's dedicated global business agency for trade and investment promotion. TIQ's objectives are:

- growing diversified exports - contributing to jobs creation by enabling Queensland businesses across regions and sectors to be successful exporters
- job creating investment - attracting high value international investment into Queensland to enable a connected and innovative economy
- driving export and investment growth by identifying global opportunities and promoting Queensland's strengths to the world
- a well-functioning TIQ.¹⁰

Screen Queensland is the Queensland Government funded company responsible for screen industry development. Screen Queensland's purpose is to grow the screen industry to be a significant contributor to the economic and cultural wellbeing of Queensland.¹¹

3.1.1 Budget overview

DPC's operating budget for 2018-19 is \$116.4million, a decrease of \$88.9million from the 2017-18 estimated actual.

The SDS states that the decrease in expenses is mostly due to the machinery-of-government changes resulting in the transfer of Arts Queensland to the Department of Environment and Science. The decrease in expenditure is partly offset by new limited life appropriation funding to continue operating the Townsville departmental office and expand the department's regional presence by establishing four additional department offices and to continue attracting and sponsoring events of significance for Queensland through the Events Sponsorship Fund.¹²

It is proposed that DPC will receive appropriation revenue of \$107.2million in 2018-19, with the remainder of its operating expenses funded from user charges and fees, grants and other contributions, interest, and other revenue.¹³

DPC also administers funds on behalf of the State, including Ministerial Offices and the Office of the Leader of the Opposition, and will provide administered funding to TIQ (\$47.5million) and Screen Queensland (\$18.8 million).

The following table compares the appropriations for the DPC for 2017-18 and 2018-19.

Appropriations	Budget 2017-18 \$'000	Estimated actual 2017-18 \$'000	Vote 2018-19 \$'000
<i>Controlled items</i>			
departmental services	245,590	182,675	107,006
equity adjustment	(30,293)	(19,141)	..
<i>Administered items</i>	161,540	136,063	123,127
Vote	376,837	299,597	230,133

Source: Appropriation Bill 2018, schedule 2.

¹⁰ Queensland Budget 2018-19, SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, p 38.

¹¹ Screen Queensland, www.screenqueensland.com.au.

¹² Queensland Budget 2018-19, SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, p 25.

¹³ Queensland Budget 2018-19, SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, p 26.

Capital works program

In 2018-19 DPC has a planned capital works outlay of \$2.1million. Capital works program highlights for 2018-19 include:

- \$597,000 to upgrade multiple information and communication technology systems
- \$450,000 to replace the Ministerial Firewall
- \$1million to Screen Queensland to fit out a commercial property for screen production purposes.¹⁴

3.1.2 Key issues raised at the public hearing

Issues raised at the hearing in relation to DPC include:

- the Queensland Family and Child Commission annual report, *Deaths of children and young people Queensland 2015-16*, including when the report was read, when the report was tabled, and what action has been taken
- Northern Australia Infrastructure Facility loans and public funds for Galilee Basin coal projects
- the transplant of inappropriate heart tissue from an organ donor with brain cancer
- the increase of bulk water prices
- the impact of Advance Queensland on the government's objective to create jobs in a strong economy
- how the Back to Work program has created jobs throughout Queensland
- the government's progress on implementing veterans' initiatives
- how the government is stimulating the advancement of a renewable, reliable and low-cost energy supply
- how the hydrogen energy sector is being supported
- the number of public servants hired on contracts or through labour hire
- the Premiers' office expenses
- the School Breakfast Program
- plans for a new high school on the former Fortitude Valley State School site
- capital investment being made to ensure front-line health services are delivered
- progress of the recovery from recent natural disasters
- the number of projects and jobseekers supported by Skilling Queenslanders for Work
- crime statistics including establishing a crime statistics and research unit
- international travel expenses including the quantum of expenses and release of expense data
- the impact of increased tourism infrastructure on Queensland's economy
- increased funding for the Production Attraction Strategy and benefits to the screen industry
- actions the government has taken to tackle cyberbullying
- Queensland's recent export performance
- TIQ's hospitality expenses
- tariffs on chickpea exports
- missions to India undertaken in the past 12 months
- recommendations of the Crime and Corruption Commission regarding board appointments
- additional resources for crossbench members
- the release of Minister Bailey's private emails
- funding for an advertising campaign regarding vegetation management laws

¹⁴ Queensland Budget 2018-19, *Budget Measures: 3. Capital Measures*, p 91.

- the trade and investment benefits of hosting the Gold Coast 2018 Commonwealth Games
- the impact of water quality investments on the Great Barrier Reef and landholders
- progress of wild dog cluster fencing and the benefits to regional Queensland
- action to tackle domestic and family violence
- work and activity undertaken for the final commemorations of the centenary of ANZAC
- Townsville’s community champion: including the need for a community champion, the number of written reports received from the community champion since 25 January 2017 and the travel expenses incurred by the community champion
- how the government will invest in TAFE infrastructure in Redlands.

3.2 Office of the Governor

The Office is an independent entity that provides executive, administrative, logistical and personal support to the Governor. The Office also maintains the Government House Estate, in partnership with the Department of Housing and Public Works.¹⁵

3.2.1 Budget overview

The Office’s operating budget for 2018-19 is \$7.174 million, an increase of \$48,000 from the 2017-18 financial year. The SDS states that the increase in expenses is primarily due to the impact of enterprise bargaining arrangements.¹⁶

The following table compares the appropriations for the Office for 2017-18 and 2018-19.

Appropriations	Budget 2017-18 \$'000	Estimated actual 2017-18 \$'000	Vote 2018-19 \$'000
<i>Controlled items</i>			
departmental services	6,968	6,931	7,174
equity adjustment	(53)	(3)	..
<i>Administered items</i>	..	..	..
Vote	6,915	6,928	7,174

Source: Appropriation Bill 2018, schedule 2.

In 2018-19, the Office will continue to provide support for the:

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

¹⁵ Queensland Budget 2018-19, SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, p 49.

¹⁶ Queensland Budget 2018-19, SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, p 53.

3.3 Public Service Commission

The PSC is an independent central agency established under the *Public Service Act 2008*. The PSC provides independent advice to government and collaborates across the public sector to achieve its vision of a high-performing, future-focused public sector for Queensland.

The PSC's objectives are to:

- provide effective stewardship of the public sector by managing an employment framework that drives performance and accountability, fostering constructive workplace cultures, and supporting the achievement of cross-sector objectives
- develop public sector capability by collaborating with agencies to develop leaders at all levels across the sector, promoting a culture of personal and organisational, and building analytical capability of workforce information to inform evidence based decision making
- enable an agile, future-focused public sector by connecting agencies to drive sector-wide and place-based responses, increasing sector confidence and readiness to manage the changing nature of work, partnering with agencies to anticipate and respond to the changing community
- optimise capability and performance by embedding a new approach to organisational governance and fostering a customer-centric culture.¹⁷

The Integrity Commissioner is administratively included within the PSC and is responsible for providing advice to designated persons, raising awareness on ethics and integrity issues, and for maintaining the Queensland Register of Lobbyists. The Integrity Commissioner is an independent officer of the Queensland Parliament who reports to the committee.¹⁸

3.3.1 Budget overview

The PSC's operating budget for 2018-19 is \$14.6million, a decrease of \$1.4million from the 2017-18 estimated actual. The SDS states that the decrease is due to the cessation of temporary funding for the Community Insights function, and the completion of limited life projects such as Talent Now and whole-of-government expense measure 'Reprioritisations'. The decrease is however partly offset by additional funding to assist the Integrity Commissioner's expanded role in responding to the government's commitment to integrity in public office and institutions.¹⁹

It is proposed that the PSC will receive appropriation revenue of \$13.7million in 2018-19, with the remainder of its operating expenses funded from user charges and fees, and grants and other contributions.²⁰

The following table compares the appropriations for the PSC for 2017-18 and 2018-19.

Appropriations	Budget 2017-18 \$'000	Estimated actual 2017-18 \$'000	Vote 2018-19 \$'000
<i>Controlled items</i>			
departmental services	14,871	14,047	13,675
equity adjustment	..	..	..
<i>Administered items</i>	..	..	..
Vote	14,871	14,047	13,675

Source: Appropriation Bill 2018, schedule 2.

¹⁷ Queensland Budget 2018-19, *SDS, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 59.

¹⁸ Queensland Budget 2018-19, *SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 59.

¹⁹ Queensland Budget 2018-19, *SDS, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 63.

²⁰ Queensland Budget 2018-19, *SDS, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 64.

Key activities for the PSC in 2018-19 include:

- preparing an annual audit to monitor improvements in gender pay equity in the public sector
- assessing the viability of expanding the scale of an internal talent mobility approach based on the Talent Now pilot learnings from 2017-18
- delivering on commitments under Queensland’s domestic and family violence prevention workplace reforms in collaboration with key stakeholders
- undertaking a 12-month pilot program to identify at least 100 public sector employment opportunities for veterans
- supporting an ethical public service by issuing a revised and improved code of conduct.

3.3.2 Key issues raised at the public hearing

Issues raised at the hearing in relation to the PSC include:

- the dates of release and publication of Public Service workforce data
- consultation on Public Service workforce data.

3.4 Queensland Audit Office

The QAO is the independent auditor of the Queensland public sector. The QAO conducts financial and performance audits to provide public confidence in the reliability of public sector entity financial statements and operating performance. The QAO’s objectives are to:

- support and challenge its people to best serve Parliament and its clients
- ensure those it serves, trust and value its services and advice
- provide assurance services and advice, used to improve accountability and performance.²¹

3.4.1 Budget overview

The QAO’s operating budget for 2018-19 is \$43.8million, a decrease of \$0.2million from the 2017-18 budget but an increase of \$1.1million compared to the 2017-18 estimated actual. The SDS states that the change in expenses is due to a decrease in employee expenses during 2017-18, offset by additional expenses related to the licence of audit software, training, and low value equipment related to refreshing the corporate accommodation.²²

It is proposed that the QAO will receive appropriation revenue of \$6.8million in 2018-19, with the remainder of its operating expenses funded from user charges and fees, and grants and other contributions.²³

The following table compares the appropriations for the QAO for 2017-18 and 2018-19.

Appropriations	Budget 2017-18 \$'000	Estimated actual 2017-18 \$'000	Vote 2018-19 \$'000
<i>Controlled items</i>			
departmental services	6,670	6,727	6,835
equity adjustment	..	..	..
<i>Administered items</i>	..	..	..
Vote	6,670	6,727	6,835

Source: Appropriation Bill 2018, schedule 2.

²¹ Queensland Budget 2018-19, SDS, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, p 71.

²² Queensland Budget 2018-19, SDS, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, p 76.

²³ Queensland Budget 2018-19, SDS, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, p 64.

In 2018-19, the QAO will:

- support its workforce to meet Parliament’s and clients’ service needs
- enhance relationships
- adapt its assurance services to provide greater value.²⁴

²⁴ Queensland Budget 2018-19, *SDS: Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, p 72.

4 Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships

The agencies, services and statutory authorities that are the responsibility of the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships are:

- Queensland Treasury (QT)
- Motor Accident Insurance Commission (MAIC)/Nominal Defendant
- Queensland Productivity Commission (QPC)
- Cross River Rail Delivery Authority (CRRDA)²⁵
- Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP).²⁶

4.1 Queensland Treasury

The QT's vision is to grow the Queensland economy and improve the wellbeing of all Queenslanders.²⁷ QT provides government with trusted, impartial and influential advice on the economy and State finances, and partners with agencies to deliver government policy priorities and better revenue and commercial services.²⁸

The QT's activities are coordinated through four main service areas - Economic and Fiscal Coordination, Agency Performance, Commercial Services and Revenue Management. This structure reflects the machinery-of-government changes effective from 12 December 2017, under which responsibility for Industrial Relations functions and services was transferred to the Department of Education, employment policy and programs were transferred to the Department of Employment, Small Business and Training, responsibility for delivery of Market Led Proposals was transferred to the Department of State Development, Manufacturing, Infrastructure and Planning, and Trade and Investment Queensland was transferred to the Department of the Premier and Cabinet. As part of the machinery-of-government changes responsibility for the Cities Transformation Taskforce was transferred to Queensland Treasury from the former Department of Infrastructure, Local Government and Planning, and the Cross River Rail Delivery Authority was transferred to Queensland Treasury from the former Department of Infrastructure, Local government and Planning.²⁹

The Economic and Fiscal Coordination service area delivers whole-of-government economic, fiscal, revenue, financial management, accounting, policy and reporting services to the Under Treasurer, Treasurer and Cabinet Budget Review Committee. It provides strategic economic and regulatory reform policy advice, economic impact analysis, modelling and data, and monitors, forecasts and measures the State's economic performance. The area also coordinates the development of the State Budget, manages the State's debt and balance sheet, and delivers statistical, demographic, research and program evaluation services across government.³⁰

The Agency Performance service area provides economic and fiscally responsible public policy analysis and advice to line agencies and the Under Treasurer, Treasurer and Cabinet to support government priorities, manages public policy, fiscal and economic issues across the public sector, partners with line agencies to optimise performance, manages and coordinates intergovernmental fiscal relations issues, and manages whole-of-government banking and payment services contracts.³¹

²⁵ Queensland Budget 2018-19, SDS: *Queensland Treasury*, pp 1-2.

²⁶ Queensland Budget 2018-19, SDS: *Department of Aboriginal and Torres Strait Islander Partnerships*, p 2.

²⁷ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 3.

²⁸ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 3.

²⁹ Queensland Budget 2018-19, SDS: *Queensland Treasury*, pp 4, 28.

³⁰ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 4.

³¹ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 7.

The Commercial Services service area provides commercial and financial advice to government on service and infrastructure projects, manages the procurement of privately financed major public infrastructure and service projects, provides commercial and policy advice on private sector investment and manages the State's engagement in the Commonwealth's Northern Australia Development agenda. The area also ensures rigorous project procurement across government, assesses government-owned corporations' capital investments, advises government on competition policy and legislation, economic regulation and structural policy, and leads the State's negotiations with the Australian and local governments on City Deals.³²

The Revenue Management service area administers a revenue base of around \$14 billion by delivering and administering simple, efficient and equitable revenue management services for State taxes and royalty revenue. The area is also responsible for revenue compliance, grant schemes and debt recovery and enforcement activities for the State.³³

4.1.1 Budget overview

The QT's operating budget for 2018-19 is \$257million, a decrease of \$64.5million from the 2017-18 estimated actual.

The SDS states that the decrease in expenses is mainly due to the machinery-of-government changes resulting in the transfer of the Office of Industrial Relations, Employment function and Market Led Proposals. The decrease in expenditure is partly offset by increased expenditure for the Office of State Revenue Transformation Program and additional expenditure resulting from annual wage increases.³⁴

It is proposed that the QT will receive appropriation revenue of \$247.6million in 2018-19, with the remainder of its operating expenses funded from user charges and fees, and other revenue.³⁵

The QT is responsible for overseeing significant administered funds, receiving a large proportion of the State's taxation, royalties and Australian Government revenue which is used to fund government priorities. The QT administers major grant programs and provides funding to a number of statutory bodies, including the Queensland Productivity Commission, the Queensland Competition Authority and the Cross River Rail Delivery Authority. The department also administers the government's cash balances and financing requirements, in collaboration with the Queensland Treasury Corporation.³⁶

The following table compares the appropriations for the QT for 2017-18 and 2018-19.

Appropriations	Budget 2017-18 \$'000	Estimated actual 2017-18 \$'000	Vote 2018-19 \$'000
<i>Controlled items</i>			
departmental services	265,008	238,846	245,941
equity adjustment	14,660	16,796	22,871
<i>Administered items</i>	6,194,203	5,989,078	6,724,751
Vote	6,473,871	6,244,720	6,993,563

Source: Appropriation Bill 2018, schedule 2.

³² Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 8.

³³ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 11.

³⁴ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 21.

³⁵ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 22.

³⁶ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 14.

Capital works program

In 2018-19 the QT has a planned capital works outlay of \$6.1million. Capital works program highlights for 2018-19 include:

- \$5.7 million to implement the Office of State Revenue Transformation Program
- \$400,000 to implement the Financial Assurance Framework Reforms.³⁷

4.1.2 Issues raised at the public hearing

Issues raised by the committee in relation to Queensland Treasury included:

- the luxury vehicle levy including which vehicles the levy would apply to, modelling regarding the levy and consultation undertaken regarding the levy
- the waste levy including who it will apply to and modelling undertaken to ascertain the impact the levy on Queensland families and businesses
- the implications of Queensland's population growth on the need for infrastructure investment
- the impact of the \$45.8 billion infrastructure spend on Queensland's regional economies
- the progress of funding for the government's key infrastructure election commitments
- Queensland's employment growth for 2017-18 and how it compares nationally
- budget assumptions relating to coal royalty figures
- the land tax including its application to absentee Queensland landowners and defence force personnel, and analysis undertaken regarding the impact on commercial property tenants
- the point-of-consumption wagering tax including who the tax will apply to and use of the tax to support the racing industry
- the benefits for small business in extending the payroll tax rebate for wages paid to apprentices and trainees to 30 June 2019
- the impact of the expansion of the Jobs and Regional Growth Fund on employment and economic growth in regional Queensland
- the Cross River Rail project including benefits to South-East Queensland, progress made and the next milestones
- modelling undertaken regarding any of the new taxes regarding impacts on jobs
- fiscal principle one to target ongoing reductions in Queensland's relative debt burden
- fiscal principle two to target a net operating surplus that ensures new capital investment in the general government sector is funded primarily through recurrent revenues
- the royalty framework under which Adani would operate
- the potential impact of 'claim farming' on compulsory third-party (CTP) insurance and steps being taken to combat it
- government advocacy for a fair share of the GST and whether the Commonwealth government's proposal to change the GST share would disadvantage Queensland
- expected payments from the Commonwealth and the impact on services and infrastructure
- how the cessation of funding for the National Partnership Agreement on Remote Indigenous Housing will impact Queensland
- measures to support the coal industry
- the impact on coal royalties of Aurizon reducing its maintenance program
- steps taken to resolve issues between Aurizon and the Queensland Competition Authority
- competition in the electricity industry
- royalty forecasts and the basis of the forecasts

³⁷ Queensland Budget 2018-19, *Budget Measures: 3. Capital Measures*, p 114.

- Queensland’s tax competitiveness with other jurisdictions within Australia
- revenue from electricity generation
- the impact of the Business Development Fund on business investment and innovation
- work to develop a city deal for South-East Queensland
- implementation of the Townsville City Deal
- the cost of the State Penalty Enforcement Registry (SPER) information technology system
- strategies and penalties applied to encourage those with a SPER debt to pay the debt.

4.2 Motor Accident Insurance Commission / Nominal Defendant

MAIC is a statutory authority established under the *Motor Accident Insurance Act 1994*. The Chief Executive of MAIC, the Insurance Commissioner, is also the Nominal Defendant.

MAIC regulates and improves Queensland's CTP insurance scheme and manages the Motor Accident Insurance and Nominal Defendant funds. The Nominal Defendant compensates people who are injured as a result of negligent driving of unidentified vehicles and vehicles with no CTP insurance, and acts as an insurer of last resort by meeting the claim costs of any licensed insurer who may become insolvent.

MAIC and the Nominal Defendant’s objectives for 2018-19 are to:

- provide a viable and equitable personal injury motor accident insurance scheme
- improve the operational performance of the Nominal Defendant.³⁸

4.2.1 Budget overview

MAIC’s operating budget for 2018-19 is \$22.9million, a decrease of \$1.5million from the 2017-18 estimated actual. The SDS indicates MAIC has a forecast operating deficit of \$8.1million in 2018-19.³⁹

The Nominal Defendant’s operating budget for 2018-19 is \$57.2million, a decrease of \$7.5million from the 2017-18 estimated actual. The SDS indicates the Nominal Defendant has a forecast operating surplus of \$3.9million in 2018-19.⁴⁰

Key deliverables for MAIC and the Nominal Defendant in 2018-19 include:

- continuing to investigate regulatory changes required to introduce automated vehicles into the Australian market by 2020
- exploring opportunities for MAIC and the CTP scheme to manage future innovation and disruption
- strengthening supervision and regulation of insurers to mitigate potential fraud and 'claim farming'.⁴¹

4.3 Cross River Rail Delivery Authority

The CRRDA is a statutory body established under the *Cross River Rail Delivery Authority Act 2016*. The CRRDA is responsible for leading the procurement, development and delivery of the Cross River Rail project. The CRRDA’s key objectives are to:

- deliver and facilitate transformational transport infrastructure development
- optimise economic and social development opportunities
- maintain strong relationships across industry sectors and government agencies.⁴²

³⁸ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 34.

³⁹ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 37.

⁴⁰ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 43.

⁴¹ Queensland Budget 2018-19, SDS: *Queensland Treasury*, p 34.

⁴² Queensland Budget 2018-19, SDS: *Queensland Treasury*, pp 50-51.

4.3.1 Budget overview

The CRRDA's operating budget for 2018-19 is \$12million, an increase of \$1.9million from the 2017-18 estimated actual but a decrease of \$20million from the 2017-18 budget.

Key deliverables for the CRRDA in 2018-19 include:

- continuing early works, including demolition of the Landcentre and adjacent buildings
- selecting and awarding of contracts for the Tunnel, Stations and Development Public-Private Partnership, including Over Station Development Albert Street and the Rail, Integration and Systems Alliance
- finalising the Cultural Heritage Management Plan and Environmental Management Plan
- finalising precinct development plans for the Boggo Road, Woolloongabba and Roma Street station precincts
- designing the upgrade of six stations between Fairfield to Salisbury
- supporting Building Queensland in the preparation of an independent business case assessment for the entertainment precinct "Brisbane Live"; and commencing planning for the entertainment precinct in partnership with AEG Ogden
- continuing property acquisition processes in relation to the project corridor.⁴³

Capital program

In 2018-19 the CRRDA has a planned capital expenditure of \$733million to continue to progress the planning, procurement, and development associated with the Cross River Rail project.⁴⁴

4.4 Queensland Productivity Commission

The QPC is an independent statutory body established under the *Queensland Productivity Commission Act 2015*. The QPC provides independent economic and policy advice to the Queensland Government to enhance productivity, drive economic growth and raise living standards in Queensland.

The QPC's main functions include public inquiries into matters relating to productivity, economic development and industry in Queensland, research and advice on productivity, economic development and industry issues, advice and guidance to support Government agencies to develop high quality regulatory proposals, and investigation of competitive neutrality complaints about State and local government business activities.⁴⁵

Key deliverables for the QPC in 2018-19 include:

- examining economic, social and environmental issues through public inquiries and self-initiated research
- reviewing and assessing regulatory proposals from government agencies to ensure impacts on the community, business, environment and government are carefully considered
- conducting investigations into competitive neutrality issues and complaints about state and local government business activities
- providing advice to government on regulatory and competitive neutrality issues.⁴⁶

⁴³ Queensland Budget 2018-19, *SDS: Queensland Treasury*, p 50.

⁴⁴ Queensland Budget 2018-19, *Budget Measures: 3. Capital Measures*, p 114.

⁴⁵ Queensland Budget 2018-19, *SDS: Queensland Treasury*, p 48.

⁴⁶ Queensland Budget 2018-19, *SDS: Queensland Treasury*, p 48.

4.5 Department of Aboriginal and Torres Strait Islander Partnerships

DATSIP's vision is for Aboriginal people and Torres Strait Islander people to participate fully in Queensland's vibrant economic, social and cultural life. DATSIP works closely with Aboriginal and Torres Strait Islander Elders and visionaries, industry, government and non-government organisations to achieve its strategic objectives of:

- improving the economic and community participation of Aboriginal and Torres Strait Islander Queenslanders
- promoting the cultural recognition of Aboriginal and Torres Strait Islander Queenslanders.⁴⁷

DATSIP contains two service areas – Economic Participation and Community Participation. The Economic Participation service area aims to increase the economic participation of Aboriginal peoples and Torres Strait Islander peoples by delivering policies, programs and services that result in Aboriginal peoples and Torres Strait Islander peoples entering and actively participating in the workforce and having more opportunities to secure businesses, to own land and to own their homes. The Community Participation service area aims to improve the community participation of Aboriginal peoples and Torres Strait Islander peoples by delivering policies and programs that result in greater social cohesion, connected communities and communities that protect and value Aboriginal and Torres Strait Islander cultures and heritage.

DATSIP also administers funds on behalf of the State including payments to the Family Responsibilities Commission (FRC) as part of the Welfare Reform program, and royalty payments to the Western Cape Community Trust.

The FRC is a statutory body established to support the restoration of socially responsible standards of behaviour and local authority in welfare reform community areas (Aurukun, Coen, Doomadgee, Hope Vale, Mossman Gorge), and to help people in these areas to resume primary responsibility for the wellbeing of their community and the individuals and families of the community.⁴⁸ The FRC is jointly funded by the State and Commonwealth governments.⁴⁹

The objective of the Western Cape Community Trust is to promote and benefit the general welfare of the communities described in the Western Cape Communities Co-Existence Agreement, including the Aboriginal communities and Traditional Owners of Western Cape York Peninsula.⁵⁰

4.5.1 Budget overview

DATSIP's operating budget for 2018-19 is \$86.9million, a decrease of \$4million from the 2017-18 estimated actual.

The SDS states that the decrease in expenses reflects the finalisation of the current National Partnership Agreement on Remote Housing program and the Reparations Scheme. The decrease in expenditure is partially offset by additional funding for Cape York splash parks, Kupai Omasker, Kowanyama Men's Shed and Women's Meeting Place, work history research and legal services.⁵¹

It is proposed that DATSIP will receive appropriation revenue of \$81.7million in 2018-19, with the remainder of its operating expenses funded from grants and other contributions, and other revenue.⁵²

DATSIP also administers funds on behalf of the State and will provide administered funding of \$12.5million.⁵³

⁴⁷ Queensland Budget 2018-19, SDS: *Department of Aboriginal and Torres Strait Islander Partnerships*, p 2.

⁴⁸ *Family Responsibilities Commission Act, s 4; Family Responsibilities Commission Regulation 2014, s 2.*

⁴⁹ Queensland Budget 2018-19, SDS: *Department of Aboriginal and Torres Strait Islander Partnerships*, p 9.

⁵⁰ Queensland Budget 2018-19, SDS: *Department of Aboriginal and Torres Strait Islander Partnerships*, p 9.

⁵¹ Queensland Budget 2018-19, SDS: *Department of Aboriginal and Torres Strait Islander Partnerships*, p 15.

⁵² Queensland Budget 2018-19, SDS: *Department of Aboriginal and Torres Strait Islander Partnerships*, p 16.

⁵³ Queensland Budget 2018-19, SDS: *Department of Aboriginal and Torres Strait Islander Partnerships*, p 20.

There is a forecast deficit for DATSIP in 2018-19 of \$4.4 million. The SDS states that the budgeted operating deficit position relates to expenditure against externally funded infrastructure development initiatives, where the related revenue was received and recognised as income in a prior year. These funds are carried forward as part of DATSIP’s cash reserves and the programs remain fully funded.⁵⁴

The following table compares the appropriations for DATSIP for 2017-18 and 2018-19.

Appropriations	Budget 2017-18 \$'000	Estimated actual 2017-18 \$'000	Vote 2018-19 \$'000
<i>Controlled items</i>			
departmental services	85,476	77,003	81,668
equity adjustment	6,000	0	6,000
<i>Administered items</i>	12,266	12,461	12,518
Vote	103,472	89,464	100,186

Source: Appropriation Bill 2018, schedule 2.

Capital works program

In 2018-19 DATSIP has a planned capital works outlay of \$6.5million. Capital works program highlights for 2018-19 include:

- \$6million to acquire land to support the Cape York Peninsula Tenure Resolution Program which returns ownership and management of land on Cape York to Traditional Owners
- \$473,000 for asset replacement across DATSIP.⁵⁵

4.5.2 Key issues raised at the public hearing

Issues raised at the hearing in relation to DATSIP include:

- DATSIP’s results from the 2017 Working for Queensland survey
- working with Aboriginal and Torres Strait Islander people to close the gap in Indigenous disadvantage
- the impact of the Reconciliation Action Plan 2018-2021 on Aboriginal and Torres Strait Islander people and non-Indigenous Queenslanders
- the impact of the Moving Ahead strategy on participation of Aboriginal and Torres Strait Islander people in training, employment and business ownership
- performance metrics and monitoring regarding implementation of the Moving Ahead strategy and Queensland Indigenous Procurement Policy
- the final report of the Youth Sexual Violence and Abuse Steering Committee, including the status of recommendation and whether the report will be available publicly
- the responsibilities of DATSIP in relation to actions to respond to youth sexual violence and abuse in West Cairns and Aurukun
- how Queensland’s contribution to a national redress scheme will facilitate access to support for Aboriginal and Torres Strait Islander survivors of institutional child sexual abuse in Queensland
- an Indigenous incarceration reduction target for Queensland
- the Queensland Indigenous procurement policy and any focus on specific geographical regions
- supply and demand reduction and harm minimisation strategies beyond alcohol management plans
- assistance with home ownership in remote discrete communities
- the impact of land transfers to traditional owners on economic and employment opportunities.

⁵⁴ Queensland Budget 2018-19, SDS: Department of Aboriginal and Torres Strait Islander Partnerships, pp 15- 16.

⁵⁵ Queensland Budget 2018-19, Budget Measures: 3. Capital Measures, p 31.

5 Minister for Local Government, Racing and Multicultural Affairs

The agency and services and statutory authority that are the responsibility of the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs are:

- Department of Local Government, Racing and Multicultural Affairs (DLGRMA)
- Queensland Racing Integrity Commission (QRIC).⁵⁶

5.1 Department of Local Government, Racing and Multicultural Affairs

The DLGRMA's primary purpose is to administer the policy and legislative framework for the operation of local governments, administer the *Racing Act 2002* while supporting and promoting the racing industry across Queensland, and improve outcomes for people from culturally and linguistically diverse backgrounds and assist in building safe and connected communities.

The DLGRMA's objectives are to ensure:

- dynamic, well-managed and accountable local governments focused on delivering positive and sustainable outcomes for their communities
- a viable and prosperous racing industry in Queensland
- policies, programs and services that support and promote inclusive harmonious and diverse Queensland communities.⁵⁷

The DLGRMA contains three service areas - Local Government, Racing, and Multicultural Affairs Queensland. This structure reflects the machinery-of-government changes effective from 12 December 2017, under which the former Department of Infrastructure, Local Government and Planning was renamed the Department of Local Government, Racing and Multicultural Affairs. As part of the machinery-of-government changes the racing function and Multicultural Affairs Queensland were transferred to DLGRMA, and the Infrastructure Policy and Planning and Better Planning for Queensland service areas were transferred to the Department of State Development, Manufacturing, Infrastructure and Planning.⁵⁸

The Local Government service area provides a strategic policy and legislative framework for local government in Queensland, administers the councillor conduct complaints system and local government funding programs, develops and delivers targeted and high-quality capacity building resources, training and solutions for councils to underpin strong and responsive local government for Queensland. The area also assists local governments to identify opportunities for inter-council collaboration to build capacity and create efficiencies, and supports local governments to build their integrity, governance and financial sustainability.

The Racing service area provides policy advice to government on matters relevant to the commercial operation and viability of the racing industry, and administers programs related to the provision of Queensland Government funding to the racing industry.

The Multicultural Affairs Queensland service area leads strategies to improve access and opportunities for people from culturally and linguistically diverse backgrounds, and invests in community events that celebrate and promote Queensland's multicultural identity, increase community awareness of benefits of multiculturalism, foster community cohesion and support equal access to opportunities by people from diverse cultural backgrounds. The area also invests in projects that build community relationships to foster inclusion and participation of migrants and refugees in a range of activities, and programs that facilitate social connectedness for culturally and linguistically diverse individuals and groups.⁵⁹

⁵⁶ Queensland Budget 2018-19, *SDS: Department of Local Government, Racing and Multicultural Affairs*, p 1.

⁵⁷ Queensland Budget 2018-19, *SDS: Department of Local Government, Racing and Multicultural Affairs*, p 2.

⁵⁸ Queensland Budget 2018-19, *SDS: Department of Local Government, Racing and Multicultural Affairs*, p 2.

⁵⁹ Queensland Budget 2018-19, *SDS: Department of Local Government, Racing and Multicultural Affairs*, p 3.

5.1.1 Budget overview

The DLGRMA's operating budget for 2018-19 is \$436.1 million, a decrease of \$48.5 million from the 2017-18 estimated actual.

The SDS states that the decrease is principally due to machinery-of-government changes resulting in the transfer of the planning and infrastructure functions and the Gold Coast 2018 Commonwealth Games Village to the Department of State Development, Manufacturing, Infrastructure and Planning and the Natural Disaster Resilience Program to the Queensland Reconstruction Authority. The decrease in expenditure is partially offset by additional funding for the Indigenous Councils Critical Infrastructure Program, Whitsunday Coast Airport Terminal Expansion Project, Local Government Grants and Subsidies Program, Torres Shire Council Water Treatment Infrastructure Upgrade, Racing Infrastructure Fund and Country Racing Support Program.

There is a forecast deficit for the DLGRMA in 2018-19 of \$12.4 million. The SDS states that this is primarily due to the planned transfer of the Cherbourg Wastewater Infrastructure asset to the Cherbourg Aboriginal Shire Council for nil consideration.⁶⁰

It is proposed that the DLGRMA will receive appropriation revenue of \$422.3million in 2018-19 for controlled items, with the remainder of its operating expenses funded from user charges and fees, interest, and other revenue.⁶¹

The DLGRMA also administers funds on behalf of the State including the Australian Government National Insurance Affordability Initiative and Australian Government Financial Assistance Grants. The DLGRMA's total estimated administered fund expenditure of \$488.9million is comprised of \$242.1million in appropriations with the remainder provided by user charges and fees and grants and other contributions.⁶²

The following table compares the appropriations for DLGRMA for 2017-18 and 2018-19.

Appropriations	Budget 2017-18 \$'000	Estimated actual 2017-18 \$'000	Vote 2018-19 \$'000
<i>Controlled items</i>			
departmental services	514,218	407,346	422,299
equity adjustment	66,940	13,660	2,351
<i>Administered items</i>	976,409	796,020	242,144
Vote	1,557,567	1,217,026	666,794

Source: Appropriation Bill 2018, schedule 2.

Capital works program

The 2018-19 capital works program for DLGRMA of \$3.29 million, mainly relating to works undertaken for Indigenous councils.⁶³ Capital works program highlights for 2018-19 include:

- \$1 million for the Northern Peninsula Area Water Supply System distribution network asbestos cement replacement program
- \$1.3 million for a new local government grants management system to improve and simplify the administration of grants.
- \$965,000 for Indigenous infrastructure projects that aim to improve environmental health conditions for people living in major communities in Indigenous council areas.⁶⁴

⁶⁰ Queensland Budget 2018-19, SDS: Department of Local Government, Racing and Multicultural Affairs, p 15.

⁶¹ Queensland Budget 2018-19, SDS: Department of Local Government, Racing and Multicultural Affairs, p 17.

⁶² Queensland Budget 2018-19, SDS: Department of Local Government, Racing and Multicultural Affairs, p 20.

⁶³ Queensland Budget 2018-19, SDS: Department of Local Government, Racing and Multicultural Affairs, p 3.

⁶⁴ Queensland Budget 2018-19, Budget Measures: 3. Capital Measures, p 124.

5.1.2 Key issues raised at the public hearing

Issues raised at the hearing in relation to the DLGRMA include:

- the impact of decreases to the Local Government Grants and Subsidies Program on infrastructure
- the review of grants to local government
- matters regarding the Ipswich City Council including incoming ministerial briefs, when the DLGRMA received complaints and raised concerns
- the draft Local Government (Dissolution of Ipswich City Council) Bill and any recommendation from the Crime and Corruption Commission
- meetings between the Minister and the Crime and Corruption Commission about the recommendations from the Belcarra Report and concerns regarding the Ipswich City Council
- possible reclassification of smaller councils in South-East Queensland as regional councils to allow access to the Works for Queensland program
- access to information by Ipswich ratepayers about council owned entities
- whether financial statements of council owned entities are required to be consolidated into the financial statements of the parent council
- the number of councillor complaints received in the 2017-18 financial year across the state
- the importance for the government to ensure there are strong communities across the state
- the advice provided to the Minister by the department in relation to the show cause notices for Ipswich City Council
- the average cost of a sign for a Works for Queensland project
- the identification of behaviour by councillors that may warrant future charges being laid against any councillor
- the list of charges that result in a councillor being automatically be stood down
- the projects being undertaken by local government through the Works for Queensland program
- how supporting local government infrastructure projects is contributing to the government's plan to create jobs
- how the objective of providing high-quality and timely administration of both the local government system and local government funding programs is being met in relation to the Weipa normalisation process
- the impact of capacity building in local government on positive economic outcomes for councils across Queensland
- the importance of the Whitsunday Coast Airport terminal expansion project to tourism in the Whitsundays
- staffing costs for Multicultural Affairs
- funding for the Brisbane Racing Club Eagle Farm track remediation project
- the number of staff at Racing Queensland and the staffing costs
- the cost of the review of Eagle Farm course proper by Dale Monteith
- future infrastructure planning for the racing codes in Queensland and the consultation process with stakeholders
- the timeframe for completing the Brisbane Racing Club Eagle Farm track remediation project
- the relationship between QRIC and Queensland Racing
- the apportionment of racing prize money
- the success of the recent Battle of the Bush series
- the importance of providing a support package for country racing in Queensland
- the benefits of a three-year licence renewal process to the racing industry and its participants
- how investment in country racing has lifted prize money for racing across the State

- challenges being faced by country racing clubs in relation to infrastructure and facilities
- the process for appointing a Deputy Commissioner at the QRIC
- the allocation of funding under the Racing Infrastructure Fund
- implementation of the Multicultural Action Plan
- activities undertaken by the Multicultural Queensland Advisory Council.

5.2 Queensland Racing Integrity Commission

The QRIC is an independent statutory body that oversees the integrity and welfare standards of racing animals and participants in Queensland.⁶⁵ QRIC provides veterinary and animal welfare services, compliance and services, and sampling and analytical services.

The QRIC's objective is to protect racing animals, ensure high standards of integrity and safety and enhance public confidence in the Queensland racing industry.⁶⁶

5.2.1 Budget overview

The QRIC's operating budget for 2018-19 is \$28.8million, an increase of \$484,000 from the 2017-18 estimated actual.

Key deliverables for the QRIC in 2018-19 include:

- the ongoing development of RandLE (the new licensing and registration portal) to include data and capability for the thoroughbred and harness codes
- the implementation of a contemporary and sustainable staffing model and professional development opportunities for frontline staff
- the continued implementation of a three-year licensing model
- the continued development of intelligence capability and awareness across the organisation.⁶⁷

5.2.2 Key issues raised at the public hearing

Issues raised at the hearing in relation to the QRIC include:

- the relationship between QRIC and Queensland Racing
- best practice in sample collection procedures
- the benefits a three-year licence renewal process to the racing industry and its participants
- the number of charges made by QRIC, and the number of successful prosecutions
- the process for appointing a Deputy Racing Commissioner
- the process for appointing an executive assistant for the Deputy Racing Commissioner
- the process of assessing particular agents that might be performance enhancing.

⁶⁵ Queensland Budget 2018-19, *SDS: Department of Agriculture and Fisheries*, p 51.

⁶⁶ Queensland Budget 2018-19, *SDS: Department of Agriculture and Fisheries*, p 52.

⁶⁷ Queensland Budget 2018-19, *SDS: Department of Agriculture and Fisheries*, p 51.

Statement of reservation

NON-GOVERNMENT STATEMENT OF RESERVATION

Opening:

The 2018/19 Budget is a budget of taxes, debt and unemployment.

After three-and-a-half years, Labor's legacy for Queensland is no less than five new taxes, an \$83 billion debt bomb and the worst unemployment in Australia - at the time the budget was handed down.

This is a budget that shows Labor have given up and have no plan for Queensland, just a plan for more taxes and more debt. These five new taxes will rip \$2.2 billion out of our economy. These five new taxes will hit households and businesses in every corner of this State.

After three-and-a-half years in office, Labor has no economic plan for Queensland. To divert attentions from Labor's lack of an economic plan and failure to deliver its promises, Labor continues to attack the LNP Government, unable to defend their own record.

It is our view that the Economics and Governance Committee hearings lacked openness and transparency and that the government members used standing orders and their numbers on the Committee to protect Ministers. To demonstrate this fact only 50 out of 89 minutes question time allocated to the Opposition for the Premier was allowed. 39 minutes of that time was wasted due to disruption such as points of order.

Premier and Minister for Trade

The LNP was disappointed with the Premier's political blame game response to the questions about what actions the government took after receiving the Queensland Family and Child Commission annual report, Deaths of children and young people Queensland 2015/16. The report showed:

- 9 of the 21 youth suicides in 2016/17 were known to the child protection system
- 4 out of 5 of children who died from assaults were known to child protection system; and
- 10 of the 19 children who drowned were known to the child protection system.

The Premier mistakenly said the Queensland Family and Child Commission annual report 2016/17 was released with the Child and Family Commissioner in the gardens, but in fact it was tabled in Parliament five months and 12 days after the

Premier received it. The tabling of the report also coincided with the Commonwealth Games, raising significant concerns about openness and accountability.

The Premier refused to answer whether her office or department was consulted on the timing of the tabling of the report. The Premier maintained whether her office or department was consulted was not a matter in her portfolio and suggested the question about her office and department be put to the Attorney-General.

The Premier referenced the transfer of the Queensland Family and Child Commission from her department to the Attorney-General's portfolio. The Premier then disputed the only action she took after receiving the 2016/17 annual report was to transfer the Queensland Family and Child Commission out of her portfolio.

Despite the increase in the deaths of children known to child safety from 2015/16 to 2016/17, the Premier denied the child safety system was in crisis.

The Premier was asked when she or her office was first informed that heart tissue from an organ donor with brain cancer had been mistakenly transplanted into three babies and an adolescent child. The Premier initially advised she was told 12 to 24 hours before the public announcement was made, however later clarified that she was told several days before the announcement was made on a Friday afternoon by the Chief Health Officer.

The Premier didn't answer a question about when the Premier or her office made the decision to adopt the Queensland Competition Authority's decision to increase bulk water prices in South East Queensland by up to \$90 over three years. The Premier said "Ministers can actually make decisions and announce things" in reference to the announcement of the water price hike being made while the Premier was overseas and on the day of the first State of Origin game for 2018.

The Public Service Commission advised the committee that it provided the March workforce data to the Premier's office around 20 June or 25 June, however the data wasn't released until late July on a Friday afternoon. The March 2018 figures showed an additional 4,300 public servants had been hired during the quarter. The Premier was asked how many public servants were employed on contracts and labour hire contracts and advised the government commissioned Peter Coaldrake AO to develop a method to count public servants with a report on this to be made public by the end of 2018.

The Premier blamed the former LNP Government for her inability to manage her office budget in 2017/18. The committee heard the Premier blew her budget by \$500,000, spending more than \$8 million against a budget of \$7.5 million. The LNP is not aware of any other ministerial office or government department located in 1

Williams Street exceeding its budget for the reason outlined by the Premier. It seems it is only the Premier that can't live within her budget.

The LNP notes the only action the Premier has taken in relation to this overspend is to increase her office budget by \$300,000. At the same time she has reduced the Opposition Office budget by \$300,000.

The LNP tabled state intelligence data obtained by the Opposition which shows assaults are up by 15.8 per cent, rape and attempted rape are up by 43 per cent, robbery is up by 54 per cent and home invasions are up by nine per cent. This means on average that in the South Brisbane District there were 44 assaults a week and five rapes or attempted rapes per week. The Premier said it was an imputation for the LNP to suggest her Government was failing to keep Queenslanders safe based on this report.

It was disappointing the Premier dismissed the report as a snapshot in time, even though the report's yearly comparisons clearly showed significant increases in a number of serious offenses. The Premier also claimed she hadn't seen the coverage by Channel 7 the evening before, which included confirmation from Detective Superintendent Tony Fleming that the statistics were real and crime was increasing in the region.

The LNP remains concerned about the Palaszczuk Government's failure to provide full details about Minister Mark Bailey's use of a private email account for ministerial business. The Premier refused again to proactively release the ministerial records from Mark Bailey's private email account – manqocube6@yahoo.co.uk.

The Premier again confirmed she was satisfied with the appointment process of Mr Mark Aigie, whose CV was sent to Minister Bailey from a senior ETU official just days before he was appointed by the Palaszczuk Cabinet to the board of Energy Queensland. The CCC has stated this appointment lacked openness and transparency. Additionally, during the Legal Affairs and Community Safety Committee of the 2018/19 Budget Estimates the Chair of the CCC advised the background checks on Mr Aigie were done after Cabinet approved his appointment to the board of Energy Queensland.

The Premier tried to justify spending \$461,000 on overseas travel by her and staff during the first 2.5 years in office due to her role as Trade Minister. However, during the first 2.5 years of the Palaszczuk Government, the Member for South Brisbane and the Member for Mulgrave had the Trade portfolio. This \$461,000 is in addition to the \$1.3 million the other Palaszczuk Government Ministers have spent in the first 2.5 years. At the time of the hearing the overseas travel expenses for the period up to December 2017 had not been published on the Open Data website.

In relation to Queensland's exports, despite a 43% reduction in chickpea exports for the year ending April 2018, the jet setting ministers of the Palaszczuk Government haven't made any ministerial missions to India since August 2017. India is a key market for Queensland chickpeas and policy changes of the Indian government have hurt the Queensland chickpea industry.

Although there has been no ministerial missions to support chickpea farmers in recent times, Trade and Investment Queensland has spent almost \$290,000 of taxpayers' money on hospitality. There isn't complete clarity on how much of this \$290,000 was spent on alcohol, but it is at least \$17,831.

Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships

Treasury

LNP members' questioning confirmed that this year's Budget was not only a Budget of taxes, debt and unemployment, but it was also a Budget of broken promises and broken dreams. It was revealed that Treasury had not only been fully aware that campervans and motorhomes would be captured by the new tax on premium light motor vehicles, but that modelling had been done to measure just how many would be captured. Despite the campervan and motorhome industry largely consisting of retirees, no consultation with industry bodies was made before the Treasurer decided to launch this tax, and add thousands of dollars to the cost of retirees dreaming of travelling Australia.

Further questioning on the Government's new taxes revealed that there had been no modelling done on the waste levy's impact on current and future Queensland jobs, despite the Government taking 30 per cent of the revenue raised and putting it into consolidated funds, rather than in the industry being impacted. This lack of modelling further extended to the racing industry, which was confirmed to be being hit by a new point of consumption tax with no guarantee of funds being directed back into the struggling industry. What was even further disturbing was the confirmation that Treasury had done no forecasts or projections on the impact that the five new taxes introduced by this Government would have on Queensland jobs. This is a reckless disregard for the future security of Queensland jobs.

The Treasurer failed to deny that both the first and second of the Government's fiscal principles had been broken in this year's Budget. The first principle of targeting ongoing reductions in Queensland's relative debt burden has been clearly abandoned, with the general government debt-to-revenue ratio set to increase over the forward estimates. It was also shown that the Government's second fiscal principle of funding new capital investment primarily through recurrent revenues rather than borrowing had also been blatantly broken through a 'borrow-to-build' mentality. With these important fiscal principles having been broken, it truly shows that this Government does not have a plan to pay down Queensland's debt, instead leaving the debt for Queensland's children and grandchildren to pay off.

On further questioning about the Australian Competition and Consumer Commission's final report into restoring electricity affordability recommending increased competition in Queensland's electricity market, the Treasurer refused to endorse the LNP plan to do exactly this and lower electricity prices for all Queenslanders. The LNP plan to split Queensland's electricity generators from two to three would see electricity prices lowered from increased competition, as acknowledged by the ACCC but unfortunately ignored by this Treasurer.

Aboriginal and Torres Strait Islander Partnerships

The Department of Aboriginal and Torres Strait Islander Partnerships is suffering from employee dissatisfaction with senior management and employee perception of an unfair workplace. It is of great concern that the Minister refused to guarantee an improvement in workplace culture under her watch, instead choosing to incorrectly claim that general sentiment of employee satisfaction has improved since the time of the previous LNP Government.

The Minister refused to provide detail on the final report of the Youth Sexual Violence and Abuse Steering Committee, which had been under the responsibility of her department until recently. The Minister also claimed that matters of Indigenous youth justice and drug use in Indigenous communities were the responsibility of other Ministerial portfolios. It was a disturbing trend that Aboriginal and Torres Strait Islander affairs appeared to largely fall under other portfolios, whether that be child safety or policing. If matters directly impacting Queensland's indigenous communities can't be answered by the Minister for Aboriginal and Torres Strait Islander Partnerships, why should indigenous communities have confidence that they are getting the full attention of this Minister and her disenchanting department?

Minister for Local Government, Racing and Multicultural Affairs

Local Government

Local Governments in Queensland provide a suite of essential services in our communities. Employing almost 40,000 people, Queensland's 77 Councils manage \$108 billion in assets, including over 153,000 kilometres of local roads, \$25 billion of water and sewerage infrastructure, public libraries, along with the maintenance of parks and playgrounds just to name a few. The LNP Opposition supports the hard work that the Local Government elected representatives do on a daily basis. It regards the Estimates process as a key opportunity to scrutinise the State Labor Government's appropriations to assess if their administration meets the needs of local councils and the communities they serve.

LNP members have reservations about how well informed the Committee was as a result of the Estimates process, as it did not sufficiently allow for well-considered deliberations and it failed to provide the required level of scrutiny of the Government's use of taxpayers' money. The Estimates Committee public hearings

also highlighted the following matters on which the Minister for Local Government provided answers that are deemed unsatisfactory by LNP members.

The Minister failed to acknowledge that Queensland Councils have been financially impacted by the approximately \$1 billion that has been removed from Grants and Subsidy Programs by Labor Governments in 2009. The Department stated in Answers to Questions on Notice in relation to the Local Government Grants and Subsidies Program that “the program was heavily oversubscribed, with 286 applications for projects worth \$191,194,914.56 from 74 Councils. Not all projects were able to be funded” and there were “194 unsuccessful applications”. The concern relates to the 2.5 projects per Local Government in Queensland that have not been funded for essential water, sewerage and other infrastructure.

Through both a Question on Notice and again at the Hearing, the Minister was asked to release the Review of the Grants to Local Government: Current and Future State Assessments. However, the Labor Government continued the culture of secrecy, with the Minister giving no date as to when this significant review would be released. With more than 70 different programs and more than 1,000 separate grants to Local Government, the ability to publically scrutinise this review is of great interest to Local Governments and communities.

Under questioning in relation to the first and second show cause notices issued to the Ipswich City Council, the Department’s reluctance to reveal details is seen in the following exchange...

Ms Leahy: Were there any reservations from the department at all?

Mr Agnew: I cannot disclose it. They are of a legal nature.

When asked by LNP members about the fundamental approach to Local Government, the Minister acknowledged the concerns raised by the Opposition in the following exchange.

Ms Leahy: Isn't there something fundamentally wrong with the approach to local government then, when a councillor can be stood down for stealing a pen but not for child sex charges?

Minister: I do acknowledge the concern that the member for Warrego has in that regard. I am concerned about that measure.

Unfortunately, the Minister gave no undertaking to address this imbalance by the State Labor Government to Queensland Mayors and Councillors.

Racing and Multicultural Affairs

During Estimates, it was revealed that there has been a \$2.5 million increase in the Multicultural Affairs staffing budget and an additional 18 staff members in 2018-19.

That equates to an average cost of almost \$140,000 for each additional staff member. The Director-General of the Department of Local Government, Racing and Multicultural Affairs confirmed that the increase in staff is due to the distribution of central staff within the new Department of Local Government, Racing and Multicultural Affairs. The 30 staff for Multicultural Affairs remained and an additional 18 were provided.

When it comes to the racing portfolio, the debacle surrounding the State's premier race track, Eagle Farm racecourse, has been of great concern to Queenslanders and racing stakeholders. In light of this, it was disappointing that the Labor Government has refused to provide a timeframe or estimated completion date for Eagle Farm. Labor's constant refusal to detail any timeframe has continued to stifle confidence and create uncertainty in this important industry in Queensland. It is unsurprising that there are wide-spread concerns that the track will not be operational for next year's Winter Carnival. The hearing revealed that the Monteith Review into Eagle Farm cost \$52,250. In a media release of August 2017, Labor announced the costs of the renovation to Eagle Farm would be between \$1 million and \$1.5 million. That is a far cry from the figures revealed at this year's Estimates hearing. Since July 2017, \$2.8 million has been spent on the project, with a total budget allocation of \$3.7 million. This figure of \$3.7 million, which was supposed to be expended in 2017/18, has been deferred for another year. This seems to suggest further delays in getting Eagle Farm racing again.

The LNP also raised concerns that delays to Eagle Farm have come at a cost to other projects across the State that require funding under the Racing Infrastructure Fund. This includes a Masterplan for the Gold Coast Turf Club, as well as the addition of the long-awaited construction of an access tunnel to improve safety.

On behalf of stakeholders such as the Harness Racing Club, the LNP sought information on the re-development of Albion Park. The feedback received by the Opposition indicated that there has been a lack of consultation by the Labor Government with stakeholders when it comes to matters that impact their viability, such as infrastructure plans. Stakeholders can't be blamed for feeling uncertain. Labor has continued to fuel uncertainty in the industry by promising not to re-develop Albion Park at the last State Election, but pressing ahead with plans that have already been rejected by the Brisbane City Council. Whilst the Minister claims that he has been meeting with representatives of the harness racing code from the Albion Park club, this does not address the issues mentioned by the LNP at the hearing.

The LNP has always supported the highest level of integrity in our racing industry. In light of the well-publicised communication issues between the Queensland Racing Integrity Commission (QRIC) and Racing Queensland about prize money being paid out at the Toowoomba Cup and Guineas Day, the LNP questioned the working relationship between the two organisations. In order to promote confidence in the

industry, it is vital the organisations take steps to ensure that they are on the same page when it comes to integrity matters. Concerns about the effect criminal charges have on the reputation of racing participants and the wider integrity of the industry were also raised at the hearing.

It remains unclear how much of the Point of Consumption Tax (PoCT), which is estimated to collect a total \$367 million, will be reinvested into the Racing Industry. At 15 per cent, the PoCT is higher than New South Wales' which charges 10 percent, and eight percent in Victoria. This is a further blow for an industry that has suffered under the uncertainty of the Palaszczuk Labor Government.

Closing:

Instead of a plan for the future Labor continues with the politics of the past.

Unlike Labor, the Liberal National Party does have a plan for Queensland. Our plan is designed to make it easier for Queenslanders to get a job and get ahead.

The LNP economic plan lays out five goals and how the LNP would deliver each of them.

The LNP plan will:

- Bust congestion
- Provide cheaper electricity
- Ensure better health and education
- Deliver water security
- Guarantee no new taxes

The LNP's Economic Plan outlines what we would do right now and what we plan to do from 2020.

It is the beginning, not the end, of our commitment to Queensland.

Because we want Queenslanders everywhere to have good jobs and great opportunities.

Only the LNP has a plan will get this State moving again and ensure Queensland's best days are ahead of us.



Ray Stevens

Deputy Chair of Economics and Governance Committee
State Member for Mermaid Beach