



2020-21 Budget Estimates – Appropriation (Parliament) (2020-2021) Bill 2020

**Report No. 2, 57th Parliament
Economics and Governance Committee
February 2021**

Economics and Governance Committee

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Acknowledgements

The committee thanks the Speaker of the Legislative Assembly for his cooperation during the committee's inquiry.

The committee also acknowledges the assistance provided by the Parliamentary Service officers who supported the work of the committee during the estimates process.

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Chair's foreword

This report presents a summary of the committee's examination of the budget estimates for the 2020-21 financial year contained in the Appropriation (Parliament) (2020-2021) Bill 2020.

The committee has recommended that the proposed expenditures, as detailed in the Appropriation (Parliament) (2020-2021) Bill 2020, be agreed to by the Legislative Assembly without amendment.

On behalf of the committee, I thank the Speaker, the Clerk, and other Parliamentary Service officers for their co-operation in providing information to the committee throughout this process.

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

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



Linus Power MP

Chair

February 2021

1 Introduction

1.1 Role of the committee

The Economics and Governance Committee (committee) is a portfolio committee of the Legislative Assembly which commenced on 26 November 2020 under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.¹

The committee's areas of responsibility are:

- Premier and Cabinet, and Trade
- Treasury and Investment
- Tourism Industry Development, Innovation and Sport.

The committee also has oversight functions in relation to the Auditor-General and the Integrity Commissioner.

1.2 Inquiry process

On 26 November 2020, the Legislative Assembly agreed to a resolution setting out dates and specified timeframes for portfolio committees to hold estimates hearings, and for committee questions on notice prior to the hearings be provided to and answered by Ministers.²

On 4 December 2020, the Appropriation (Parliament) (2020-2021) Bill 2020 and the estimates for the committee's area of responsibility were referred to the committee for investigation and report.³

On 7 December 2020, the committee conducted a public hearing and took evidence about the proposed expenditure from the Speaker of the Legislative Assembly and other witnesses. The transcript and broadcast of the committee's hearing are available on the committee's webpage.⁴

The committee was required to table its report on the Appropriation (Parliament) (2020-2021) Bill 2020 by 12 February 2021.⁵

1.3 Aim of this report

This report summarises the estimates referred to the committee, identifies some of the issues the committee considered in examining the estimates, and states whether the proposed expenditures referred to the committee are agreed to.

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

- the budget papers

¹ *Parliament of Queensland Act 2001*, s 88; Standing Rules and Orders of the Legislative Assembly, Standing Order 194.

² Queensland Parliament, Record of Proceedings, 26 November 2020, pp 144-150. Standing Order 177A provides that the necessary adjustments be made for estimates for the Parliamentary Service and the Legislative Assembly.

³ Standing Order 177(2) provides for the automatic referral of the Annual Appropriation Bills to portfolio committees once the Bills have been read a second time. See also Queensland Parliament, Record of Proceedings, 4 December 2020, p 566.

⁴ <https://www.parliament.qld.gov.au/work-of-committees/committees/EGC/inquiries/current-inquiries/Estimates2020>. Broadcast files remain accessible online for a period of 12 months following the proceedings.

⁵ Queensland Parliament, Record of Proceedings, 3 December 2020, p 325.

- answers to pre-hearing questions on notice⁶
- evidence taken at the hearing
- supplementary information provided in relation to answers.⁷

Answers to the committee’s pre-hearing questions on notice and the supplementary information provided in relation to answers are included in a volume of additional information tabled with this report. This information is also available on the committee’s estimates webpage.

1.4 Participation by other Members

The committee gave leave for other Members of the Legislative Assembly to participate in the hearing. The following Members participated in the hearing:

- Mr Stephen Andrew, Member for Mirani
- Ms Sandy Bolton, Member for Noosa
- Mr David Crisafulli, Member for Broadwater
- Mr Jarrod Bleijie, Member for Kawana
- Ms Fiona Simpson, Member for Maroochydore.

⁶ Prior to the public hearing, the committee provided the Speaker with questions on notice in relation to the estimates. Responses to all questions were received.

⁷ On 18 December 2020, the Speaker wrote to the committee to provide further information in relation to an answer to a pre-hearing question on notice.

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 expenditures, as detailed in the Appropriation (Parliament) (2020-2021) Bill 2020 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3 Legislative Assembly and Parliamentary Service

The Speaker of the Legislative Assembly is responsible for the Legislative Assembly of Queensland and the Parliamentary Service.

The Legislative Assembly consists of 93 Members who discharge a range of important constitutional, legislative and constituency responsibilities.

The Parliamentary Service, established by the *Parliamentary Service Act 1988*, provides administrative and support services to the Legislative Assembly. The objectives of the Parliamentary Service are to:

- support the Legislative Assembly (and its committees and Members) in fulfilling its functions within the institution of Parliament
- support Members of the Legislative Assembly to engage with and represent their electorates
- provide information, corporate and facility management services
- safeguard, promote and strengthen the institution of Parliament.

The Legislative Assembly's activities are coordinated through two main service areas:

- Members' Salaries, Entitlements and Electorate Office Services
- Parliamentary Precinct Support Services.

The first of these two service areas administers the remuneration and entitlements of Members of the Legislative Assembly and provides resources and support services to assist in maintaining Members' electorate offices.

Parliamentary Precinct Support Services provides a range of support services within the parliamentary precinct to assist the Parliament, its committees and Members.⁸

3.1 Appropriation

The following table shows the cash appropriation for the Legislative Assembly and Parliamentary Service for 2020-21, compared with the budgeted and actual cash appropriations for 2019-20.

Appropriations	Budget 2019-20 \$'000	Actual 2019-20 \$'000	Vote 2020-21 \$'000
<i>Controlled Items</i>			
departmental services	101,325	101,844	100,732
equity adjustment	(1,316)	(1,316)	1,091
<i>Administered Items</i>
Vote	100,009	100,528	101,823

Source: Appropriation (Parliament) (2020-2021) Bill 2020, Schedule 1.

⁸ Queensland Budget 2020-21, Service Delivery Statements, vol 4, p 2.

As highlighted in the table, the proposed appropriation of \$101.823 million for 2020-21 is an increase of \$1.295 million over the final appropriation for 2019-20. The Speaker advised during the public hearing that this increase is:

... due primarily to changes to members' allowances approved by the Queensland Independent Remuneration Tribunal and deferral of appropriation funding for the 2019-20 budget due to delays in completing a small number of projects underway.⁹

Key service area initiatives and capital spending for 2020-21 are set out below.

3.2 Service area highlights

The 2020-21 service area highlights for the Legislative Assembly and the Parliamentary Service include:

- replacing Members' portable computer devices and electorate office telephone systems
- developing a new 3-year digital strategy for the Parliamentary Service, and continuing to develop and deliver strategies to address emerging cyber security risks
- implementing a formal Reconciliation Action Plan to promote and strengthen cultural respect, equality, and opportunities for Aboriginal and Torres Strait Islander peoples.¹⁰

3.3 Capital purchases

The total planned capital expenditure for the Legislative Assembly for 2020-21 is \$13.6 million, up from \$8.7 million in 2019-20.

Major capital projects in 2020-21 include the continuation of an upgrade to critical building infrastructure and services supporting the Parliamentary Annexe, the completion of the Parliament House fire protection program, and the ongoing electorate office accommodation improvement program.¹¹

3.4 Key issues raised during consideration of the budget estimates for the Legislative Assembly of Queensland and the Parliamentary Service

Issues that were raised and considered by the committee in relation to the estimates for the Legislative Assembly and the Parliamentary Service included:

- the impact of COVID-19 on the normal operations of the Parliament¹²
- upgrades of Parliamentary Annexe critical infrastructure and services¹³
- the establishment of a virtual parliament to support remote participation for Members, and related technical arrangements¹⁴
- the development and launch of the Reconciliation Action Plan¹⁵

⁹ Public hearing transcript, Brisbane, 7 December 2020, p 3.

¹⁰ Queensland Budget 2020-21, Service Delivery Statements, vol 4, p 3.

¹¹ Queensland Budget 2020-21, Service Delivery Statements, vol 4, p 4.

¹² Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 1; public hearing transcript, Brisbane, 7 December 2020, pp 2, 3, 4, 6-7, 8.

¹³ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, nos 2, 13, 14; public hearing transcript, Brisbane, 7 December 2020, pp 3, 5.

¹⁴ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 3; public hearing transcript, Brisbane, 7 December 2020, pp 3, 4, 7.

¹⁵ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 4; public hearing transcript, Brisbane, 7 December 2020, pp 8-9.

- the regional sitting in Townsville in 2019¹⁶
- the Parliament House fire protection program¹⁷
- the management of cyber security risks¹⁸
- support to charity organisations (through the donation of food and prepared meals by the Parliamentary Catering Service)¹⁹
- promoting Queensland produce through Parliamentary Catering Service offerings²⁰
- the new Members' induction program²¹
- sitting days and sitting hours and the consideration of Bills in the 56th and previous parliaments²²
- electorate office relocations/refurbishments²³
- budget savings measures and outcomes²⁴
- full time equivalent staffing in the Parliamentary Service²⁵
- the roll-out and cost of the telephone system replacement²⁶
- the timing of estimates in 2020²⁷
- the format of estimates questions²⁸
- reviews of estimates processes²⁹
- estimates questions relating to matters before the Crime and Corruption Commission³⁰
- the status of office, accommodation and meeting room space in the Parliamentary Annexe, and plans for the Annexe moving forward³¹

¹⁶ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 5; public hearing transcript, Brisbane, 7 December 2020, p 6.

¹⁷ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 6.

¹⁸ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 7; public hearing transcript, Brisbane, 7 December 2020, p 3.

¹⁹ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 8.

²⁰ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 9.

²¹ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 10.

²² Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 11; public hearing transcript, Brisbane, 7 December 2020, p 4.

²³ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 12.

²⁴ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, nos 16, 17; public hearing transcript, Brisbane, 7 December 2020, pp 4-5, 7, 8, 9.

²⁵ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 18.

²⁶ Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, nos 19, 20; public hearing transcript, Brisbane, 7 December 2020, p 6.

²⁷ Public hearing transcript, Brisbane, 7 December 2020, p 3.

²⁸ Public hearing transcript, Brisbane, 7 December 2020, p 4.

²⁹ Public hearing transcript, Brisbane, 7 December 2020, pp 3, 5-6.

³⁰ Public hearing transcript, Brisbane, 7 December 2020, p 4.

³¹ Public hearing transcript, Brisbane, 7 December 2020, p 5; Speaker of the Legislative Assembly of Queensland, response to pre-hearing questions on notice, no. 15.

- parliamentary education activities, including through the youth parliament, school visits, and engagement with young people in regional areas³²
- a mutual access agreement between the Queensland Parliament and the Local Government Association of Queensland.³³

³² Public hearing transcript, Brisbane, 7 December 2020, pp 6-7.

³³ Public hearing transcript, Brisbane, 7 December 2020, p 9.

NON-GOVERNMENT STATEMENT OF RESERVATION

The Non-Government Members of the Economic and Governance Committee wish to make the following Statement of Reservations and concerns regarding the 2020/21 Budget Estimates Appropriation Bills 2020/21.

As Queenslanders deal with the impacts of COVID-19, the 2020/21 Budget was the time for the Palaszczuk Government to respond.

Instead, the third-term Labor Government claimed businesses are back on their feet and all jobs lost because of COVID-19 have been regained – claims woefully out of touch with reality.

The more than 200,000 Queenslanders who are currently out of work were relying on the Labor Government to get this Budget right. But for them it is simply pages of broken promises and dreams.

All Labor has delivered Queensland in this budget is \$28 billion in new debt to simply keep the lights on, and an infrastructure spend that is both billions less than southern states and is also being delivered years into the never never.

In its third term all the Labor Government can manage as an economic plan is a 41-page glossy brochure and an unemployment rate 13 percent higher than Victoria and nearly 25 percent higher than New South Wales.

Committee operation

As is prudent, the Opposition agrees with passing the budget. However, there are some reservations that should be noted.

As mentioned above, this budget outlines unemployment figures into the forwards confirming Queensland will have the worst unemployment figures in the country. Despite this, the government has not communicated any plans to fast-track projects to stimulate the economy and create jobs for Queenslanders.

By holding off the budget until after the election, the Government had a responsibility to be completely transparent about debt levels. Instead they outlined \$4 billion worth of debt before the election only to reveal the actual increase in debt would be seven times that amount at \$28 billion. While the opposition understands the need to borrow funds to build the roads, dams and other job creating projects; we are extremely concerned about the revelations in the budget which show the massive increase in debt has yielded only a tiny increase in the State's net worth. This is in stark contrast to results in other states who have used increased borrowings to fund large infrastructure building programs.

Finally, the structure of the whole budget process is fundamentally broken. With a vastly truncated estimates process, the Government had a responsibility to ensure it was completely transparent. Given the circumstances, it was more important than ever that a full and frank examination of Ministers and their portfolios occurred. Instead, the Queensland public was served up a dysfunctional sideshow of obfuscation and protection assisted by highly politicised conduct of the Estimates hearings.

The LNP proposes a complete reimagining of the Estimates process, starting with the appointment of non-Government Chairs during estimates – an initiative that we would implement in Government.

LEGISLATIVE ASSEMBLY AND PARLIAMENTARY SERVICES

The Speaker highlighted the need for more investment in the aging facilities of the Queensland Parliamentary precinct. There are reasonable concerns that ongoing maintenance of aging equipment and materials is not sufficient to efficiently achieve a reasonable standard. Clearly the upkeep of the Parliamentary precinct including the Annexe is not a priority of the government and this will likely exacerbate the current issues plaguing the precinct's ageing facilities and equipment.

Despite a significant investment of time and resources into providing an alternative virtual parliament solution for 2020, the Labor Government chose instead to ignore this solution and shut down Queensland's democracy to impose a heavily cut sitting schedule. This led to a significant waste of time and money. The virtual Parliament was ready and should have been utilised.

The government has now imposed significant budget reprioritisation target on the hardworking men and women of the Queensland Parliamentary Service.

PREMIER AND CABINET

The hearing revealed that an email was sent from Minister Mark Bailey's private email account to stacia1@bigpond.com in 2015. Of concern, the email, which was then tabled by the Opposition, discusses whether an incoming Director-General's "ideological perspective is contra to ours ... and our platform".

This statement is at odds with the Premier's repeated claim that Directors-General were appointed on merit.

The Premier would not comment on whether the email was authentic or whether she replied to it. Even more concerning was that the CCC was not aware the email had been sent from Minister Bailey's *Mangocube* private email account to stacia1@bigpond.com throughout the investigation into Minister Bailey's deleted private email account.

The use of private email for public purpose strikes at the heart of integrity in government and credibility.

The hearing also brought to light the practice of lobbyists consulting during an election campaign. Questions were directed to the Premier on whether lobbyists Evan Moorhead and Cameron Milner were involved in the Premier's election strategy. Both Moorhead and Milner were working on the Premier's floor. Of issue was whether these lobbyists were directing government employees, which was rebutted on the grounds that the lobbyists are aware of their obligations as lobbyists.

When asked whether the Integrity Commissioner supported a review of lobbying, the Integrity Commissioner referred to the next strategic review into the functions of the Integrity Commissioner (with the strategic reviewer to be appointed by February 2021) and welcomed the opportunity to review all of the functions of the Integrity Commissioner and to make recommendations to the committee.

TREASURY AND INVESTMENT; FINANCE

The failure to deliver a full state budget before the 2020 state election was a concern raised by many Queenslanders.

There were particular concerns with respect to the government's lack of financial transparency and their poor economic response to COVID-19, which was the biggest economic crisis in almost a century.

One of the biggest revelations of the 2020/21 state budget was that Queensland debt would increase to \$130 billion over the next four years, an increase of \$28 billion on the \$102 billion figure announced in September. That is despite the Government seeking a mandate for only \$4 billion in additional debt on repeated occasions both in the lead up to and during the recent state election campaign.

The LNP remains concerned about the Government's inability to explain the correlation between its Debt and Savings Plan, the 2% Queensland Health productivity dividend (or around \$270 million) and what that means for the ongoing resourcing of frontline health services, particularly in the midst of a global pandemic.

TOURISM INDUSTRY DEVELOPMENT, INNOVATION AND SPORT

Tourism

Once again, we heard from the Palaszczuk Labor Government through Minister Hinchliffe in the hearing that Queensland's Ecotourism Plan 2016-2020 had completely stalled. In fact, it became apparent in the hearing that all ecotourism operations had stalled.

Former Minister Jones had previously stated that the Cooloola Great Walk would be completed in late 2020, however in the hearing it was delayed again to mid-2022.

Former Minister Jones also committed to completing the business case for Paluma to Wallaman by late 2020, however these too remain outstanding.

The LNP members of the committee reject the excuse provided by government that COVID-19 was enough of a disrupter to delay some of these long overdue projects to be delivered by as much as two years.

These failures to deliver of Queensland's ecotourism opportunities continue to hurt our tourism industry and the regional communities that rely on the jobs these projects generate.

Central Queenslanders were once again reminded on the broken election commitments around the Palaszczuk Labor Government's 2017 \$25 million to deliver infrastructure to the beleaguered Great Keppel Island in the hearing. While money appears to be allocated in the 2020-21 budget, locals have seen this year on year since 2017 with out any action.

As such the LNP members of the committee will continue to hold this government to account on its recidivist broken election promise so Central Queensland can get on with restoring Great Keppel Island back to its once held tourism icon status.

In 2018 the Palaszczuk Labor Government again through former Minister Jones committed to a Code of Conduct to govern the behaviour of hosts and guests of short-term letting arrangements after the LGAQ moved a motion at its 2017 convention requesting action. Disappointingly, but unsurprisingly in the hearing it was confirmed that this process had completely broken down and had stalled.

The Palaszczuk Labor Government's failures in delivering ecotourism opportunities in Queensland as well as the botched Great Keppel Island restoration and failure to deliver a short-term letting code of conduct is part of a broader problem that has developed under Labor's watch even before COVID-19, the decline of our once great tourism sector.

Queensland used to be the jewel in the crown of Australia's tourism, seen as a state of great tourism potential.

Before coronavirus other states and territories powered ahead and experienced a tourism boom, while Queensland failed to keep pace in the race for valuable tourist dollars, costing jobs.

Official tourism data shows that before coronavirus, Queensland had lost domestic market share of visitors, visitor nights and visitor spend and had the second lowest growth in domestic visitor numbers and domestic visitor spend in the nation, only out-ranking Tasmania.

Under Labor, Queensland slipped from being the second most visited state in the nation for international tourists to now being a distant third after New South Wales and Victoria.

The LNP will continue to hold the Palaszczuk Labor Government to account on its array of broken election commitments within the tourism sector as it firmly believes that as a state we can and deserve better.

Labor's Sports Rorts

Poor record keeping of sports grants decision making and giving grants against advice, commonly called sports rorts, by the former Sports Minister is more proof of the lack of integrity and accountability at the heart of the Labor Government.

The current Sports Minister seemed to be more interested in debating standing orders, than addressing and dealing with this issue.

It is clear the Labor Government only acted because they were caught out by the Auditor-General.

The Minister was unapologetic about any bias in the allocation of grants. This was not addressed by the Minister and the committee should note the serious issues around allocating grants arbitrarily to suit the party of the government of the day.

Gabba naming rights process

Despite a 21-month process with involvement of numerous groups and consultants, the Gabba naming rights process was a failure. Taxpayers have been slugged a whopping \$134,075 for this failed process and still Taxpayers continue to subsidise and invest in aging infrastructure including turnstiles and facilities.

Given the now Acting Director-General led the Taskforce that kicked off this process, he should be very clear with Queenslanders about the causes of his failed recommendation and the outcomes.

It's also concerning the Acting Director-General was unable to recall how much he pocketed for leading the Stadiums Taskforce only two years ago.

Acting Director-General integrity

The integrity of Directors-General, including Acting Directors-General should be, and be seen to be, above reproach.

The failure of the Acting Director-General to give straightforward and clear answers to reasonable questions about his remuneration for the Stadlums Taskforce, and his involvement with Newgate Communications – a lobbyist and government supplier – while he has the significant powers of Director General, warrants further investigation.

It's not sufficient for the Acting Director-General to be simply "on leave" from Newgate Communications, rather than having severed his pecuniary interests there for the duration of his acting appointment.

Queensland needs a new approach to get the economy going and Queenslanders back to work.

The LNP calls for infrastructure spending to be brought forward and rolled out now to help those 200,000 Queenslanders re-enter the workforce.

The LNP will unleash economic growth by:

- Encouraging those with entrepreneurial spirit to invest their own money in job creating ventures;
- Valuing the Public Service by empowering them to make decisions which drop barriers to growth;
- Unshackling the mining industry and tourism industries through world's best practice environmental protections which both preserve our natural environment and utilise it to create jobs;
- Placing significant investment in agriculture research and development with output increased through world's best practice education, training and support for our producers; and
- Building the water infrastructure Queensland needs.

The LNP's approach will return Queensland to the rightful position as the nation's economic powerhouse and create a better Queensland for us, our children, and generations to come.



Ray Stevens
Deputy Chair of Economics and
Governance Committee
State Member for Mermald Beach



Michael Crandon
Member for Coomera



Dan Purdie
Member for Ninderry

