

2016-17 Budget Estimates Appropriation Bill 2016

Report No. 27, 55th Parliament
Finance and Administration Committee
August 2016

Finance and Administration Committee

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Abbreviations

AER	Australian Energy Regulator
CAA	Corporate Administration Agency
CAMS	Community Action for a Multicultural Society
Carmody Inquiry	Queensland Child Protection Commission of Inquiry
Committee	Finance and Administration Committee
CTP	compulsory third party
DPC	Department of Premier and Cabinet
FTE	full-time equivalent
GOC	Government-owned corporation
ICT	information and communications technology
MAIC	Motor Accident Insurance Commission
MAQ	Multicultural Affairs Queensland
NDIS	National Disability Insurance Scheme
<i>Not Now, Not Ever</i> report	<i>Not Now, Not Ever: Putting an End to Domestic Violence in Queensland</i> report
OQPC	Office of the Queensland Parliamentary Counsel
PSC	Public Service Commission
QAO	Queensland Audit Office
QAG	Queensland Arts Gallery
QFCC	Queensland Family and Child Commission
QIC	Queensland Investment Corporation
QM	Queensland Museum
QPAC	Queensland Performing Arts Complex
QPAT	Queensland Performing Arts Trust
QPC	Queensland Productivity Commission
QRIC	Queensland Racing Integrity Commission
ROGS	Report on Government Services
SLAs	Service Level Agreements
SPER	State Penalties Enforcement Registry
<i>When a child is missing</i> report	<i>When a child is missing: Remembering Tiahleigh — A report into Queensland's children missing from out-of-home-care</i>

Chair's Foreword

This report presents a summary of the Committee's examination of the Budget Estimates for the 2016 – 17 financial year.

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

The Committee recommends that the proposed expenditure, as detailed in the Appropriation Bill 2016, for the Committee's areas of responsibility be agreed to by the Legislative Assembly without amendment.

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

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

A handwritten signature in black ink, appearing to read 'Peter Russo', with a long horizontal stroke extending to the right.

Peter Russo MP
Chair

August 2016

1 Introduction

1.1 Role of the Committee

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

- Premier, Cabinet and the Arts
- Treasury, Aboriginal and Torres Strait Islander Partnerships and Sport, and
- Employment, Industrial Relations, Racing and Multicultural Affairs.

Standing Orders require that each portfolio committee shall consider the Appropriation Bills and the estimates for the committee's area of responsibility.² A portfolio committee must make a report at the end of its deliberations of the estimates of its portfolio area, and that report must state whether the proposed expenditures referred to it are agreed to.³

1.2 Referral

On 23 June 2016, the *Appropriation Bill 2016* and the Estimates for the Committee's area of responsibility were referred to the Committee for investigation and report.

The Committee conducted public hearings on 19 July 2016 and took evidence about the proposed expenditure from the Premier and Minister for the Arts; the Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport; Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs; and other witnesses. The transcript of the Committee's hearings can be accessed on the Committee's web page.⁴

1.3 Aim of this report

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

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

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

Prior to the public hearings, the Committee provided the Premier and Minister for the Arts; the Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport; and the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs with questions on notice in relation to the Estimates.

Answers to the Committee's pre-hearing questions on notice; documents tabled during the hearings; answers and additional information provided by Ministers after the hearings; other related

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

² Standing Order 177(3)

³ Standing Orders 186(1); 187(1)

⁴ [<http://www.parliament.qld.gov.au/documents/committees/FAC/2016/Estimates2016/Est-trns-ph19July2016.pdf>]

correspondence; and minutes of the Committee's meetings, are included in a volume of additional information tabled with this report.

1.4 Other Members' participation

The Committee gave leave for other Members to participate in the hearings.

Mr Tim Nicholls MP, Member for Clayfield, participated in the hearing for the Premier and Minister for the Arts.

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

- Mr Scott Emerson, Member for Indooroopilly
- Ms Fiona Simpson MP, Member for Maroochydore
- Mr Jon Krause MP, Member for Beaudesert, and
- Mr Rob Pyne MP, Member for Cairns.

The following Members participated in the hearing for the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs:

- Mr Jarrod Bleijie MP, Member for Kawana
- Mr Jon Krause MP, Member for Beaudesert
- Ms Fiona Simpson MP, Member for Maroochydore.

2 Recommendation

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

Recommendation 1

The Committee recommends that the proposed expenditure for the Committee's areas of responsibility, as detailed in the *Appropriation Bill 2016*, be agreed to by the Legislative Assembly without amendment.

3 Premier and Minister for the Arts

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

- Department of the Premier and Cabinet
- Queensland Family and Child Commission
- Queensland Art Gallery
- Queensland Museum
- Queensland Performing Arts Trust
- Corporate Administration Agency
- Office of the Governor
- Public Service Commission, and
- Queensland Audit Office.⁵

The following table provides a summary of agency portfolio budgets for 2016-17, in comparison to 2015-16 (budget).⁶

Agency	2015-16 \$'000	2016-17 \$'000
Department of the Premier and Cabinet		
- controlled	247,948	243,849
- administered	126,420	150,956
Queensland Family and Child Commission	11,752	12,238
Queensland Art Gallery	43,420	43,684
Queensland Museum	43,173	49,961
Queensland Performing Arts Trust	48,641	49,779
Corporate Administration Agency	10,496	12,001
Office of the Governor	6,575	6,912
Public Service Commission	17,762	14,622
Queensland Audit Office	42,704	43,257

Source: Queensland Government, State Budget 2016-17 *Service Delivery Statements – Department of the Premier and Cabinet, Office of the Governor, Public Service Commission and the Queensland Audit Office*.

3.1 Department of the Premier and Cabinet

The Department of the Premier and Cabinet (DPC) is the lead, central agency of the Queensland Public Service.⁷

⁵ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, pp. 1-3

⁶ This table indicates the agency budget. It may not represent the actual appropriation.

⁷ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 4

DPC's strategic objectives are to:

- support the Premier to set the strategic direction of government
- ensure the effective development, coordination and implementation of policy
- build confidence in government
- deliver outstanding results and value-for-money for Queenslanders
- provide leading insight, advice and services, and
- attract and retain a talented and diverse workforce.⁸

Activities are coordinated through four main service areas:

- Policy Advice, Coordination and Cabinet Support
- Government Services
- Arts Queensland, and
- Legislative Drafting and ePublishing.⁹

Policy Advice, Coordination and Cabinet Support

The *Policy Advice, Coordination and Cabinet Support* service area is charged with supporting the development and coordination of policy advice for the Premier, Cabinet and Queensland Government.¹⁰ The service area is responsible for:

- providing detailed briefings to the Premier on policy, from design and development through to coordination and implementation
- coordinating a broad range of whole-of-government activities, and
- providing advice on the operation of Cabinet and its related processes, including administration of all Cabinet information, custodianship of the Cabinet record from current and previous governments and direct logistical support.¹¹

Government Services

The objective of the *Government Services* service area is to provide high level constitutional support to the Premier and the Cabinet, as well as providing support in relation to whole-of-government sponsorship, communications and events, Ministerial Offices, and the Leader of the Opposition.

The service area is comprised of:

- Anzac Centenary Coordination Unit
- Appointments and Constitutional Services
- Ministerial Services, and
- Strategic Engagement and Protocol (Communication Services, Events Coordination and Protocol Queensland).¹²

⁸ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 4

⁹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, pp. 4-11

¹⁰ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 4

¹¹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p.5

These units collectively:

- provide advice and support to the Premier in relation to executive government and machinery of government matters
- provide support to the administration of business before Executive Council
- provide support services to Ministerial Officers and the Leader of the Opposition
- lead whole-of-government sponsorships and communication activities, and
- manage and coordinate events including the Anzac Centenary commemoration program, State occasions, official visits and functions.¹³

Arts Queensland

Arts Queensland aims to facilitate accessible arts and cultural experiences to support the growth of the arts sector and a strong community of arts in the State.¹⁴

The service area provides arts and cultural policy and strategy advice to the Queensland Government, as well as coordinating investment programs and facilities management to:

- support individual artists and arts and cultural organisations
- support capital infrastructure that provides public spaces for arts production and engagement, and
- maintain Queensland's premier cultural assets.¹⁵

Legislative Drafting and ePublishing

Legislative Drafting and e-Publishing (LDeP), through the Office of the Queensland Parliamentary Counsel (OQPC), provides drafting and e-Publishing services for Queensland legislation.¹⁶

3.1.1 DPC 2016-17 Budget Highlights

In 2016-17, DPC will:

- develop policies to diversify Queensland's economy by facilitating investment, encouraging innovation and planning for infrastructure development
- lead Queensland's engagement with the Council of Australian Governments and other whole-of-government interjurisdictional activities, including health and education funding arrangements and economic reform
- support open policy-making and program design through partnerships with departments, researchers, industry and community organisations
- advance and coordinate the Queensland Government's North Queensland policy agenda and priority projects for economic development

¹² Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p.7

¹³ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p.7

¹⁴ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p.8

¹⁵ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p.8

¹⁶ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p.10

- provide dedicated policy and analysis to shape the Government's Advance Queensland agenda
- provide strategic oversight of the statewide roll out of the National Disability Insurance Scheme starting in July 2016
- support the Government's reform agenda for justice-related initiatives
- coordinate, develop and provide leadership and implementation for whole-of-government initiatives relating to domestic violence, child protection, disaster management and counter-terrorism arrangements, climate change and renewable energy, environmental management, racing integrity, and strategic infrastructure development
- provide secretariat, policy and analytical support to the Premier's Business Advisory Council, Working Queensland Interdepartmental Committee and Biofutures Interdepartmental Committee 2016, and
- provide whole-of-government coordination and support to the Minister Assisting the Premier on North Queensland through continuation of the department North Queensland office in Townsville, and coordinating the Interdepartmental Committee for Northern Australia.¹⁷

The department's planned expenditures in support of these objectives will include both direct (controlled) expenditure and funding administered on behalf of the State (administered funding). Administered funding is primarily comprised of:

- resourcing for Ministerial Offices and the Leader of the Opposition through the DPC's *Government Services* service area, and
- the funding of statutory bodies the Queensland Family and Child Commission, Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Trust, Queensland Theatre Company and Screen Queensland.¹⁸

In 2016-17, in its coordination of the corporate services, equipment and asset management requirements of Ministerial and Opposition Offices, DPC will manage two significant planned developments – the relocation of all Ministerial Offices to 1 William Street and the implementation of an electronic vehicle logbook system.¹⁹

Administered funding budgeted for statutory entities across the financial year is as follows:

- \$12.2 million for Queensland Family and Child Commission
- \$32.2 million for Queensland Art Gallery
- \$30.3 million for Queensland Museum
- \$8.0 million for Queensland Performing Arts Trust
- \$2.6 million for Queensland Theatre Company, and
- \$19.8 million for Screen Queensland.²⁰

¹⁷ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, pp.5-6

¹⁸ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p.12

¹⁹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 12

²⁰ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 12

The following table taken from the *Appropriation Bill 2016* compares the overall appropriations for the department for 2016-17 to those budgeted in 2015-16.²¹

Appropriations	2015-16 \$'000	2016-17 \$'000
<i>Controlled Items</i>		
Departmental services	215,600	207,641
equity adjustment	(23,539)	(15,217)
<i>Administered Items</i>	126,420	150,956
Vote	318,481	343,380

Source: Appropriation Bill 2016, Schedule 2, p.10

This expenditure includes a 2016-17 capital expenditure program of \$20.5 million in capital purchases and \$6.8 million in capital grants.²² Highlights of the capital program include:

- \$11.1 million to renew and replace large critical infrastructure items at the Southbank Cultural Precinct, including the central energy plant renewal program, electrical safety upgrades, precinct accessibility and mobility projects, lift and escalator upgrades, dressing room improvements at the Queensland Performing Arts Centre and storage enhancements at the Queensland Arts Gallery
- \$7.5 million for the creation of a new permanent Anzac Legacy Gallery at the Queensland Museum, Southbank, as part of Queensland's Anzac Centenary commemoration program 2014-18.
- \$1.5 million towards the upgrade and renewal of permanent galleries at the Queensland Museum to provide compelling experiences for visitors, preserve collections and increase attendance levels
- \$1.3 million for the restoration of the State's war memorial in Anzac Square, Brisbane
- \$1.2 million towards critical asset replacement at the Queensland Art Gallery, and
- \$1.1 million towards the Turrell Lights project at the Queensland Gallery of Modern Art.²³

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

Issues raised by the Committee in relation to DPC included:

- growth in the public service from March 2015 to March 2016, including under-estimation of full-time equivalent (FTE) positions in 2015-16
- the impact of growth in FTE child safety staffing on response times in investigating suspected incidences of abuse
- the impact of increased FTE positions within the Department of Education on student learning target outcomes across 24 reporting categories, including failures to meet targets in 14 reporting categories
- the impact of growth in FTE staff employed by the Department of Main Roads on call centre response target outcomes, including a failure to meet the target of 80 percent for call centre calls answered within three minutes in 2015-16

²¹ This table indicates the agency budget. It may not represent the actual appropriation.

²² Queensland Government, Queensland Budget 2016-17 *Capital Statement – Budget Paper No. 3*, 2016, p. 86

²³ Queensland Government, Queensland Budget 2016-17 *Capital Statement – Budget Paper No. 3*, 2016, p. 86

- the impact of additional staff at the Queensland Building and Construction Commission (QBCC) on the percentage of insurance claims for defective work assessed and responded to within target response times
- staff levels and services provided by *Government Services*' corporate support service for Ministerial and Opposition Offices and any external services or contractors included in the budget allocation
- the provision of DPC employee details to unions under the Government's Union Encouragement Policy
- quarterly profile reporting on the Queensland public sector workforce, including the timing of report releases
- the implementation of a new \$461,000 ICT system to better capture and scrutinise workforce statistics
- Government efforts to support economic growth in rural communities and agricultural industries
- levels of economic growth in Queensland compared to other States and territories over current and forward estimates
- benefits arising from the Northern Queensland Economic Summit, and the Advance Queensland Investment and Innovation Summit
- the Government's implementation of the Advance Queensland Strategy
- the development of policy settings to encourage renewable energy uptake
- Government initiatives to prepare students for jobs of the future
- the benefits and key outcomes of the Skilling Queenslanders for Work initiative
- the delay in establishing the board of Jobs Queensland, to which \$40 million has been allocated for jobs initiatives
- the level of budgeted infrastructure investment in 2016-17 compared to 2015-16, including scope for job creation from infrastructure projects in the 2016-17 budget
- the operation of North Queensland Office of DPC, including staffing, contacts with the public, performance outcomes and overall cost
- the Government's North Queensland priority projects
- DPC reviews of business cases for providing advice, including cost-benefit analyses undertaken
- the Cross River Rail project and associated employment and economic opportunities for people in South-East Queensland
- the status of the Queen's Wharf development proposal
- the potential return-to-purpose of the Goodna Cultural and Arts Centre, which is currently functioning as a gymnasium
- the Government's progress on its implementation of election commitments, including the scheduling of its publication of an election commitment update
- the Government's progress in relation to a list of 91 reviews it has publicly undertaken to carry out

- the Government's response to the recommendations of the Barrett Adolescent Centre Commission of Inquiry
- programs and initiatives to prevent domestic violence, protect victims and hold perpetrators to account
- the rollout of the NDIS and efforts to ensure the scheme's accessibility
- the benefits of the Government's Fairer Fares package for consumers
- the Government's support for the 1am lockout in entertainment precincts
- the Government's decision to cut \$250,000 in funding for the Heart of Australia truck which delivers specialist cardiology services to regional areas
- Government action on the emergence of black lung disease in coal miners, including scope for a royal commission or internal public service investigation
- the operation of the Government Advertising Communication Committee and its membership and operation, including submissions, campaigns approved and costs
- the Government's advertising expenditure during the 2015-16 financial year, including details of particular campaigns and their purpose
- the consultation and decision-making processes behind the Government's legislative amendments to introduce compulsory preferential voting in Queensland
- the timing of instructions to the OQPC to draft the amendments for compulsory preferential voting
- the consistency of voting amendment processes with the Government's commitment to consultation, as outlined in election commitments and ministerial charter letters
- the Government's commitment to Fitzgerald principles of accountability and transparency
- the Government's commitment to introducing real-time donation disclosure rules by the end of the year, including a complementary electronic system to go live by end of February 2017
- an electronic real-time donation disclosure
- DPC activities in support of the organisation and hosting of the Commonwealth Games on the Gold Coast in 2018, and
- the DPC's efforts to boost cultural tourism from interstate and overseas.

The Premier and Minister for the Arts undertook to provide additional information in relation to three matters which respectively concerned staffing and performance outcomes within the Department of Education and QBCC, and funding for the Heart of Australia Truck's mobile cardiology service. Responses to these matters are included in a volume of additional information tabled with this report.

This additional information also includes correspondence from the Premier and Minister for the Arts providing clarification as to the date on which the Government provided the OQPC with drafting instructions for compulsory preferential voting amendments.

3.1.3 Issues raised at the public hearing – Arts

- the Government's use of administered funding to help develop the film and television industry in Queensland
- the allocation for the Backing Indigenous Arts program in 2016-17
- how the government is catering for increased demand for performing arts in Queensland

- user-generated revenue for *Arts Queensland*, including sponsorships, ticket sales, car park fees and other fee components, and
- the Government's consideration of a proposal by Echo Destination Brisbane consortium to establish a privately funded theatre.

3.2 Queensland Family and Child Commission

The Queensland Family and Child Commission (QFCC) is a statutory body established on 1 July 2014 under the *Family and Child Commission Act 2014* (Qld). The QFCC promotes the safety and wellbeing of Queensland's children and young people and the role of families and communities in protecting and caring for them. This includes a strong focus on representing the interests of Aboriginal and Torres Strait Islander children, families and communities.²⁵

The QFCC's services include:

- presenting evidence about whether the child protection system is working through evaluation and oversight of outcomes within the child protection and family support system (including through reporting on the performance of the Queensland child protection system in line with the National Framework for Protecting Australia's Children 2009-2020)
- informing the community about the services available to strengthen and support families
- supporting the development of strong partnerships between government and non-government service providers and academic experts aimed to improve the delivery of child protection services in Queensland
- using evidence to inform and influence improvements for children and families through policy and advocacy
- enabling others to create and access research to inform system improvements and to prevent child deaths and injuries
- delivering a strategy to improve child protection and family support system culture, capability and capacity.²⁶

The QFCC's 2016-17 budget of \$12.2 million in DPC administered funding compares to administered funding of \$11.8 million budgeted in 2015-16. The increased level of funding largely reflects greater employee expenses associated with a staffing increase from 42 FTE to 59.8 FTE to enable the QFCC to progress fulfilling its legislative obligations.²⁷ Staffing increases will be targeted towards identified risk areas including oversight of the child protection reforms, community education, Aboriginal and Torres Strait Islander issues and governance.²⁸

3.2.1 QFCC 2016-17 objectives

In 2016-17, the QFCC will:

- oversee, evaluate and report on the performance of the Queensland child protection system and the Supporting Families Changing Futures reform program

²⁵ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 40

²⁶ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 41

²⁷ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 43

²⁸ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 43

- progress advocacy activities focused on three vulnerable cohorts: Aboriginal and Torres Strait Islander children and young people; children and young people with mental health issues; and young people in out-of-home care who are transitioning from the system
- facilitate continued implementation of the Strengthening the Sector strategy with sector partners including peak bodies, Government agencies and industry representative bodies
- undertake community education campaigns to increase the awareness and understanding of Queensland's child protection system and associated reform programs and encourage parents to access help to assist them in protecting and caring for their children
- provide additional functionality and further promote the 'oneplace' Community Services Directory, an easily accessible online directory of community services to help Queensland families to get to the right service at the right time
- work with the recently established Advisory Council who will guide the work of the QFCC by providing expert insights into the issues affecting children, families and the sector
- report on the performance of Queensland's child protection system in relation to State and national goals, comparisons to other jurisdictions, and reducing overrepresentation and improving outcomes for Aboriginal and Torres Strait Islander children and families
- in partnership with Griffith University, Government agencies and the non-government sector, progress a trial of a child friendly initiative to provide a measure of the wellbeing of primary school aged children, and
- deliver a project to increase awareness of and educate children, young people, families and communities on the prevalence and impacts of online child sexual offending and child exploitation material.²⁹

3.2.2 Issues raised at the public hearing – QFCC

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

- requests to undertake reviews of departmental systems efficiency and effectiveness in relation to child deaths and reviews currently under way
- QFCC interactions with and oversight of internal departmental review processes
- reports provided to the Government over the past 12 months in relation to the evaluation and oversight of system outcomes, such as response time frames for commencing investigation and acting on suspected abuse
- the date of the QFCC's finalisation and transmission of the final report *When a child is missing: Remembering Tiahleigh — A report into Queensland's children missing from out-of-home-care* (When a child is missing report) to the Office of the Premier, and the timeliness of the Government's response to the report
- advice provided to Government in relation to the *When a child is missing* report, including an examination of the way organisations and departments respond to instances of child negligence and associated data
- consultation and engagement with departmental agencies, not-for-profit agencies and Catholic and independent schools in relation to the recommendations of the *When a child is missing* report

²⁹ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 40

- the activities and meetings of the Child Protection Reform Leaders Group formed in response to recommendation 4.13 of the Queensland Child Protection Commission of Inquiry (Carmody inquiry)
- advice provided to Government in relation to Report on Government Services (ROGs) data, and
- the state of the child protection system in Queensland and scope for improvements in system response times.

The volume of additional information tabled with this report contains responses to questions on notice in relation to the QFCC and correspondence from the Director-General of the DPC in relation to the timing of the QFCC's provision of draft reports to the Government and the agencies and organisations consulted in undertaking the review and developing the report.

3.3 Queensland Art Gallery

The Queensland Art Gallery/Gallery of Modern Art (QAGOMA) is a single institution located across two adjacent riverside building in the Cultural Precinct at Southbank, Brisbane. Attracting well over one million visitors annually, QAGOMA holds a collection of over 17,000 works of historical, modern and contemporary arts and stages a dynamic program of Australian and international exhibitions.³⁰

QAGOMA's vision is to be the leading institution for the contemporary art of Australia, Asia and the Pacific and its mission is to engage people with art and artists through memorable and transformative experiences onsite and online.³¹ Key strategic objectives identified to achieve this vision are to:

- build Queensland's globally significant collection and deliver compelling exhibitions
- connect people with the enduring power of art and ideas, and
- build our community of partners and organisational capability to deliver the best value for Queensland.³²

3.3.1 QAGOMA 2016-17 objectives

During 2016-17, QAGOMA will:

- invest \$10.8 million over four years, \$2 million of which will be matched by funding from sponsorship support to secure blockbuster and major exhibitions
- invest \$1.5 million over two years to update and replace plant and equipment at the Gallery
- commission and unveil a public artwork by a Queensland Indigenous artist within the Cultural Precinct
- present GOMA Turns 10, celebrating the tenth anniversary of the Gallery of Modern Art through exhibitions and programs featuring major Collection gifts, Children's Art Centre programs, and community and regional engagement activities
- present a major exhibition of 20th-century American artist Georgia O'Keeffe in conjunction with Australian modernist artists Margaret Preston and Grace Cossington Smith

³⁰ QAGOMA, *Our Story*, website. See: [<https://www.qagoma.qld.gov.au/about/our-story>]

³¹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 49

³² Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 49

- showcase the art of Papua New Guinea in the exhibition: No.1 Neighbour: Art in Papua New Guinea 1966-2016, and
- tour two Gallery-curated exhibitions: Cindy Sherman and the retrospective of the late Mirdidingkingathi Juwarnda Sally Gabori, to an international and interstate venue respectively.³³

3.4 Queensland Museum

Queensland Museum (QM) is the custodian of the state's natural and cultural heritage, charged with caring for and building the State Collection and curating and creating experiences that explore unique Queensland stories, the natural environment and cultural heritage.³⁴ QM manages a network of seven public museums and conducts outreach programs to facilitate public access and engagement through research, education, exhibition and loans to communities across the State and beyond.³⁵ These services are delivered on site, in the community, in classrooms and online.³⁶

The strategic direction of QM is to be the premier museum in Australia, connecting real objects and contemporary research with communities and creating authentic and compelling experiences and stories that inspire, enrich and empower.

QM's strategic objectives and investment priorities strive to ensure that it:

- meets international standards in the care, growth and preservation of the collections; creates compelling experiences to ensure the greatest engagement by visitors (both real and virtual)
- develops high quality research capability
- becomes a national leader in engagement in Science, Technology, Engineering, Maths (STEM) and the Arts
- drives innovation in its business activities
- invests in its people, and
- works in partnership with community, industry, government and other learning institutions to innovate in service development and delivery.³⁷

From 9 to 13 March 2016, QM hosted its inaugural World Science Festival, attracting more than 120,000 attendees to 90 events with 124 performances. On Saturday 12 March 2016, the Queensland Museum and Science Centre at Southbank had more than 20,000 people attend the campus, almost doubling the previous record of just over 11,000 visitors. An independent economic impact study concluded that over 35,000 visitor nights were directly attributable to the event, delivering over \$5 million worth of direct and indirect spend into the Queensland economy.³⁸

³³ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2016, p. 49

³⁴ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2016, p. 59

³⁵ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2017, p. 58

³⁶ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2016, p. 59

³⁷ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2016, p. 58

³⁸ Professor S Miller, Chief Executive, Queensland Museum, *Estimates public hearing transcript*, Finance and Administration Committee, 19 July 2016, p.46

3.4.1 Queensland Museum 2016-17 objectives

In 2016-17, QM will:

- invest \$7 million in additional funding over four years to maintain the State's collections and address critical maintenance at regional campuses and the storage facility at Hendra
- invest funding of \$4.5 million over four years with matched funding raised from sponsorship support to update and replace permanent exhibitions to ensure preservation of collections, increase attendance levels and provide compelling experiences for visitors
- present major exhibitions including Hadron Collider from the Science Museum London and Dinosaur Discovery and open the Wild State Gallery, in partnership with BHP Billiton Coal, to bring visitors face-to-face with Queensland's vast and varied biodiversity
- deliver the second World Science Festival Brisbane in March 2017, with engagement across Queensland
- implement three new partnerships with universities to enhance research capability, and
- support the Advance Queensland initiative which aims to support student literacy and numeracy by delivering new science, technology, engineering and maths projects across all campuses of the museum.³⁹

3.4.2 Issues raised at the public hearing – Queensland Museum

Issues raised by the Committee in relation to QM included:

- the hosting and outcomes of the inaugural World Science Festival in March 2016 and its links to the Government's Advance Queensland agenda
- prospects for the second World Science Festival in 2017, and
- the Government's \$7 million, four-year investment to address storage issues at the Queensland museum, including development of storage facilities at Hendra in Brisbane and at regional campuses.

3.5 Queensland Performing Arts Trust

The Queensland Performing Arts Trust (QPAT) manages Queensland's flagship performing arts venue, the Queensland Performing Arts Centre (QPAC). QPAT aims to strengthen Queensland's arts sector and contribute to the cultural, social and intellectual development of all Queenslanders, through its fulfilment of four strategic objectives:

- curate a broad relevant program that offers high quality artistic experiences
- create multidimensional experiences that attract local, national and international visitors
- enhance arts learning with audiences and the public and demonstrate leadership in thinking and practice, and
- build financial and organisational resources that promote agility, vitality and responsiveness.⁴⁰

QPAC presents a program of mixed genre live performance and learning experiences for Queenslanders and visitors across the year, with venues within the Centre managed for a positive

³⁹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 58

⁴⁰ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 67

commercial return. QPAC acts variously as a producer, presenter, venue or investor to bring these performances to light, featuring productions of local, national and international companies. In addition, QPAC delivers a specially tailored program that enhances lifelong learning through art.⁴¹

QPAT manages these QPAC programmatic functions and also acts as the commercial manager and operator of all QPAC venues, including its four theatres – the Lyric Theatre, Concert Hall, Playhouse and Cremorne Theatre.⁴²

QPAT is recognised as a cultural leader that reaches wide audiences and helps foster a community of art, delivering artistic, social, economic and cultural returns. Its key challenge is to grow and diversify its programs and income streams, including building and expanding private sector partnerships, in order to ensure financial sustainability and underpin the vitality of the organisation.⁴³

3.5.1 QPAC 2016-17 objectives

During 2016-17, QPAT will:

- present an exclusive season of France's Ballet *Preljocaj* as part of the QPAC International Series
- present four major musicals including Roald Dahl's *Matilda The Musical* and *We will Rock You*
- implement a new strategy to engage regional Queensland communities
- implement the Student Movement initiative to ensure students have the opportunity to experience the world class *Preljocaj*
- showcase the talent of emerging and established artists through the Green Jam program, and
- present two seasons in collaboration with State companies and multiple partnerships with Brisbane-based arts companies demonstrating QPAC's leadership and development role for Queensland's performing arts sector.⁴⁴

3.6 Corporate Administration Agency

The Corporate Administration Agency (CAA) provides corporate services to Queensland statutory bodies and other public sector entities on request, under Service Level Agreements (SLAs).⁴⁵

The key objective of the CAA is to assist customers in the achievement of business goals by providing value for money and effective services.

At an operational level, this is achieved by:

- engaging with units and agencies to identify business innovations
- developing strategic business alliances and partnerships
- developing high performance specialist teams, and
- supporting strong governance of business operations, products and services.⁴⁶

⁴¹ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 68

⁴² Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 68

⁴³ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 67

⁴⁴ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 67

⁴⁵ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 75

Services provided by CAA, which are charged to customers on a full cost recovery basis, include:

- human resource management and consulting
- payroll and recruitment services
- financial management and transaction services, and
- information management services including information technology and business systems.⁴⁷

In 2016-17, CAA will continue to focus on implementing business improvements, with plans to expand the agency's customer base by providing self-service opportunities for staff and customers through improved automation and other service efficiencies.⁴⁸

Approximately 65 per cent of CAA costs are made up of salaries.⁴⁹ The anticipated increase in budgeted agency expenditure from \$10.5 million in 2015-16 to \$12.0 million in 2016-17 largely reflects expenses associated with an expected rise in staffing from 67 to 71 FTE employees and expanded supplies and services costs, due primarily to demand from new customers and additional, ad hoc project work.⁵⁰

3.7 Office of the Governor

While the Premier and Minister for the Arts has ministerial responsibility for the Office of the Governor, the Office has a separate appropriation in keeping with its status as an autonomous, independent entity.⁵¹

The Office provides executive, administrative, logistical and personal support to enable the Governor to effectively exercise the constitutional powers and responsibilities of office, and to undertake constitutional and ceremonial duties and community activities. The Office also maintains the Government House Estate, in partnership with the Department of Housing and Public Works.⁵²

This is the third year in office for His Excellency the Honourable Paul De Jersey AC.⁵³

⁴⁶ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 75

⁴⁷ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, pp. 75-76

⁴⁸ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 75

⁴⁹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 76

⁵⁰ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 76

⁵¹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 86

⁵² Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 86

⁵³ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 86

The following table compares the appropriations for the Office of the Governor for 2016-17 in relation to those budgeted in 2015-16.⁵⁴

Appropriations	2015-16 \$'000	2016-17 \$'000
<i>Controlled Items</i>		
departmental services	6,575	6,912
equity adjustment	(53)	(53)
<i>Administered Items</i>
Vote	6,522	6,859

Source: Appropriation Bill 2016, Schedule 2, p. 12

During 2016-17, the Office of the Governor will continue to:

- support the Governor's constitutional and legal responsibilities of office through high quality policy advice and executive support
- support the Governor's ceremonial responsibilities of office, including the Australian Honours and Awards System and other ceremonial parades and military ceremonies
- support the Governor's program of civic engagements at Government House within the community, along with educating the community about the role of the Governor and promoting community organisations through His Excellency's patronage
- support the Governor's commitment to promote Queensland's produce, culture, trade and business initiatives
- support the Governor and Acting or Deputy Governor at times when the Governor acts as Administrator of the Commonwealth, and
- provide efficient and effective stewardship of Government House and the Estate.⁵⁵

3.8 Public Service Commission

The Public Service Commission (PSC) is established under the *Public Service Act 2008* (Qld). The PSC is an independent central agency of government with key responsibilities for workforce policy, strategy, leadership and organisational performance across the Queensland public sector.⁵⁶

The PSC receives and manages its own budget appropriation as an independent statutory entity.

The PSC's key priorities for 2016-17 will be to continue embedding performance frameworks that support productive and constructive workplace cultures, as well as providing strategic, sector-wide advice on key reform priorities such as Inclusion and Diversity, Domestic and Family Violence and the National Disability Insurance Scheme.⁵⁷

⁵⁴ This table indicates the agency budget. It may not represent the actual appropriation.

⁵⁵ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2016, p. 86

⁵⁶ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2016, p. 95

⁵⁷ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2016, p. 95

Key initiatives include:

- brokering high quality development programs that build on the sector's Leadership Talent Management Strategy
- strengthening performance and conduct management across the sector, and
- procuring and implementing a contemporary IT system that collects, validates and reports on strategic workforce data.⁵⁸

The Integrity Commissioner is administratively included within the PSC and is responsible for providing advice on integrity and ethics issues and for maintaining the Register of Lobbyists. The Integrity Commissioner is an independent officer of the Queensland Parliament who reports annually to Parliament and meets with the Finance and Administration Committee at least twice a year.⁵⁹

The following table illustrates the proposed appropriations for the PSC in 2016-17 with respect to the 2015-16 budget.⁶⁰

Appropriations	2015-16 \$'000	2016-17 \$'000
<i>Controlled Items</i>		
departmental services	17,401	14,284
equity adjustment	0	0
<i>Administered Items</i>	0	0
Vote	17,401	14,284

Source: Appropriation Bill 2016, Schedule 2, pp. 13-14

3.8.1 Issues raised at the public hearing – Public Service Commission

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

- selection processes for the appointment of a new Public Service Commission chief executive, and
- recruitment and selection processes for the appointment of Directors-General.

3.9 Queensland Audit Office

The Queensland Audit Office (QAO) is the independent auditor of the Queensland public sector.

QAO conducts financial and performance audits to provide public confidence in the reliability of public sector entity financial statements and operating performance.⁶¹ During each audit, the QAO performs analysis, develops insights, and makes recommendations designed to promote accountability and transparency and improve performance. The QAO's reports provide important information to Parliament, public sector entities and members of the parliament, and the QAO also

⁵⁸ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 95

⁵⁹ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 95

⁶⁰ This table indicates the agency budget. It may not represent the actual appropriation.

⁶¹ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 113

follows up with public sector entities annually to identify to what extent its recommendations have been implemented.⁶²

While financial audit services are paid for directly by public sector entities, performance audit services are paid for by parliamentary funding.

The following table compares appropriations for the QAO in 2015-16 (budget) and 2016-17.⁶³

Appropriations	2015-16 \$'000	2016-17 \$'000
<i>Controlled Items</i>		
departmental services	6,401	6,629
equity adjustment
<i>Administered Items</i>
Vote	6,401	6,629

Source: Appropriation Bill 2016, Schedule 2, p.14.

3.9.1 Queensland Audit Office 2016-17 budget highlights

During 2016-17, QAO will continue to:

- pursue opportunities to further strengthen the QAO's independence
- strengthen the QAO's stakeholder engagement through better targeted and tailored communication
- refine the QAO's strategic audit planning process and audit approaches to produce greater value
- expand capability to extract data more efficiently from the QAO's public sector clients and from other sources
- train the QAO's workforce in data analysis tools and techniques
- make better use of new technology and standardising the QAO's corporate processes to improve operations, and
- engage with staff to embed the QAO's values of: engage, challenge, deliver and care.⁶⁴

QAO's financial audit fees have fallen in real terms since 2011 and performance audit capacity and outputs have increased, as a result of the adoption of new technology and the refinement of risk-based audit approaches, which have improved audit efficiency and effectiveness.⁶⁵

3.9.2 Issues raised at the public hearing – Queensland Audit Office

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

- the conduct of any special or out of the ordinary audits or investigations into local government

⁶² Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 113

⁶³ This table indicates the agency budget. It may not represent the actual appropriation.

⁶⁴ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 113

⁶⁵ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2016, p. 113

- the scope of the Auditor-General's mandate to audit local governments and related parties, including local government companies
- the use of technology on audit practices and processes, including challenges and efficiencies associated with its use in auditing State and local governments
- the employment of forensic auditors or employees with forensic auditing skills with the QAO, and
- contractors engaged by the QAO for auditing services, additional seasonal work and other specialist services.

4 Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport

The Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport has the following ministerial and portfolio responsibilities:

- Queensland Treasury – four service areas
- Motor Accident Insurance Commission/Nominal Defendant
- Queensland Productivity Commission
- Department of Aboriginal Affairs and Torres Strait Islander Partnerships, and
- Department of National Parks, Sport and Racing – *Sport* service area.

4.1 Queensland Treasury

As a core agency of the Queensland Government, Queensland Treasury is the principal source of fiscal advice for the Queensland Government and is responsible for managing the State's finances in line with the Charter of Fiscal Responsibility, to advance the performance of the economy and improve the wellbeing of all Queenslanders.⁶⁶

Queensland Treasury aims to provide the Government with trusted, impartial advice on the economy and budgetary position, innovative revenue and commercial services, and support for fair, safe and productive workplaces, whilst ensuring the annual State Budget reduces debt and provides funding to achieve Government priorities now and into the future.⁶⁷

The department contains five service areas:

- Fiscal
- Economic
- Commercial Services
- Revenue Management
- Industrial Relations.⁶⁸

The Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs has responsibility for employment initiatives within the *Economic* service area and also for the *Industrial Relations* service area.⁶⁹

Appropriations for the Queensland Treasury also fund the operation of statutory bodies the Motor Accident Insurance Commission (MAIC)/Nominal Defendant and the Queensland Productivity Commission.⁷⁰

Fiscal

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

⁶⁶ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Queensland Treasury*, 2016, p. 3

⁶⁷ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Queensland Treasury*, 2016, p. 3

⁶⁸ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Queensland Treasury*, 2016, p. 1

⁶⁹ Queensland Treasury, *Our structure*, webpage. See: [<https://treasury.qld.gov.au/about-us/our-structure/index.php>]

⁷⁰ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Queensland Treasury*, 2016, p. 16

Key activities undertaken by this service area include:

- developing and monitoring the State Budget
- managing the State's debt and balance sheet in accordance with Government policies
- promoting Queensland's financial position in negotiations with the Australian Government and other states and territories
- providing financial advice to foster state-wide infrastructure development on behalf of the Government, and
- implementing new whole-of-government banking and payment services contracts, and working with Government agencies to improve the way financial dealings with suppliers, service providers and clients are managed.⁷¹

Economic

The *Economic* service area's objective is to deliver the Government's policy commitments in relation to jobs and the economy and provide economic advice.⁷² Service area activities include:

- providing advice and oversight of macroeconomic, microeconomic and competition policies, including administering the frameworks under which the Queensland Competition Authority regulates declared monopoly business activities
- developing employment policy and programs to support the Working Queensland strategy and providing advice on broader Queensland labour market issues (under the oversight of the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs)
- delivering statistical and demographic research services across Government through the Queensland Government Statistician's Office
- managing and coordinating intergovernmental fiscal relations issues, including national financial agreements, the distribution of the goods and services tax and national tax reform
- assessing government-owned corporations' (GOCs) capital investments and monitoring their financial and non-financial performance
- driving a focus within GOCs on maximising performance and rates of return through improved commercial focus and better management of capital and operating expenses, and
- providing advice on economic issues affecting energy, water, transport and competition matters. 2016-17 service area highlights.⁷³

Commercial Services

The objective of *Commercial Services* is to support economic growth in Queensland by providing timely financial and commercial advice to Government and leading major commercial government projects.⁷⁴

Commercial Services functions include:

- administering the Government's market-led proposal framework, including assessing and negotiating proposals submitted from the private sector under this process

⁷¹ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 4

⁷² Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 6

⁷³ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 6

⁷⁴ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 8

- providing commercial and financial advice to Government in relation to infrastructure projects
- managing the procurement of privately financed major public infrastructure and service projects
- working with government agencies to realise the contracted value of major public infrastructure projects through the delivery phase
- providing policy advice on private sector investment in Queensland, and
- ensuring rigorous project procurement across government through administration of the State's project assurance framework.⁷⁵

Revenue Management

The *Revenue Management* service area's objective is to enable government, business and community prosperity in Queensland through best practice revenue, grants and debt management collection. The *Revenue Management* service area administers a revenue base of around \$13 billion through its administration of revenue management services for State taxes and royalty revenue. Additional responsibilities include undertaking revenue compliance, grant schemes and debt recovery and enforcement activities for the State.⁷⁶

This service area achieves its revenue responsibilities by:

- positioning itself as a leading e-business agency with high level client support and firm and fair enforcement
- providing responsive ongoing legislation and revenue policy advice to the State Government
- further progressing the development and implementation of the Revenue Management System to support innovative business practices
- developing and implementing targeted, fair and efficient infringement enforcement strategies
- leading end-to-end penalty debt management improvements via collaborative stakeholder engagement, and
- providing business intelligence and behaviour insights to inform enforcement and debt recovery policy and strategies.⁷⁷

Industrial Relations

The objective of the *Industrial Relations* service area is to increase workplace safety and electrical safety; help Queensland business, Queensland Government entities, the community and not-for-profit sector get on with the job; and make Queensland workplaces a fairer and more just place to work.⁷⁸

The service area is examined in further detail in this report's consideration of Estimates for the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs (see Chapter 5.1).

⁷⁵ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 8

⁷⁶ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 10

⁷⁷ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 10

⁷⁸ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 12

Queensland Treasury 2016-17 Budget Highlights

Queensland Treasury's key priorities for 2016-17 are:

- delivering the 2016-17 Queensland Budget, new service delivery priorities and associated funding reprioritisations
- providing analysis and advice on further options to reduce debt as part of the Government's Debt Action Plan
- undertaking a review of the State's financial assurance framework, in conjunction with the Department of Environment and Heritage Protection and the Department of Natural Resources and Mines
- developing measures of success frameworks for child and family reforms and domestic and family violence
- delivering the Social Benefit Bonds Pilot Program
- leading the Back to Work - Regional Employment Package initiative on behalf of Government (discussed further in this report's consideration of the Employment portfolio – see Chapter 5.1)
- monitoring the Business Development Fund as it continues to invest in innovative Queensland businesses
- contributing to the ongoing work program of the independent Queensland Productivity Commission
- working with stakeholders to finalise the merger of the energy network businesses and to drive efficiencies
- delivering the Queensland Government 2016 Census awareness campaign
- increasing private sector investment in Queensland through the Government's market-led proposals initiative
- stimulating new infrastructure and investment in Queensland through contributing to policy development, including the Northern Australia White Paper, and by maximising value from the Northern Australia Infrastructure Facility
- improving State penalty debt recovery through new systems, risk-based approaches and alternative hardship options
- securing the integrity of the State revenue base and improving services into the future, including digital service delivery
- ensuring a fair and modern industrial relations system, including implementing the Government's response to the Industrial Relations Legislative Reform Reference Group report (see Chapter 5.1), and
- progressing initiatives under the Safety for Queenslanders at Work Policy.⁷⁹

The department has identified that the following external factors may have an influence on its achievement of these objectives:

- financial and economic volatility nationally and internationally impacting Queensland and its trading partners

⁷⁹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 3

- Australian Government funding decisions, including for Northern Australia large scale water infrastructure
- volatility in coal and petroleum royalties and volatility in energy costs
- impacts of a competitive labour market and advances in workplace design and technology, and
- continued importation of non-compliant or illegal products posing health and safety risks to Queenslanders.⁸⁰

The following table taken from the *Appropriation Bill 2016* compares the appropriations for Queensland Treasury for 2015-16 (budget) and 2016-17.⁸¹

Appropriations	2015-16 \$'000	2016-17 \$'000
<i>Controlled Items</i>		
Departmental services	217,173	251,486
equity adjustment	4,462	11,058
<i>Administered Items</i>	13,061,402	5,762,535
Vote	13,283,037	6,025,079

Source: Appropriation Bill 2016, Schedule 2, p.15

Within this budgeted expenditure, Queensland Treasury has earmarked \$7.1 million for capital purchases in 2016-17, including \$4.7 million in capital expenditure to implement a Brisbane-based cloud service and improve compliance, client interaction and service delivery at the Office of State Revenue, as part of the first phase of a transformational program to implement improved revenue management.⁸²

4.1.1 Issues raised at the public hearing – Queensland Treasury

Issues raised in relation to Queensland Treasury included:

- the Government's delivery of a budget surplus amid significant royalty and revenue writedowns
- the Government's use of repatriated funds from the surplus of the State Public Sector Superannuation Fund's (QSuper) Defined Benefit Superannuation Scheme
- the benefits and drawbacks of an alternative fiscal strategy without the surplus repatriation from the Defined Benefit Superannuation Scheme
- departmental directions and advanced reporting timeframes for the State Actuary's triennial actuarial review of the QSuper
- the 31 March 2016 triennial review report's consideration of the repatriation of surplus QSuper Defined Benefit Scheme funds
- the State Actuary's triennial review report recommendation that a maximum surplus repatriation of \$2 billion would be an appropriate response to the surplus QSuper funding position

⁸⁰ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 3

⁸¹ This table indicates the agency budget. It may not represent the actual appropriation.

⁸² Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 20

- correspondence and discussions between the Under Treasurer and State Actuary regarding modelling of the repatriation of up to \$6 billion of surplus QSuper funds, including directions from the Under Treasurer regarding the minimisation of overfunding and compliance with Australian Prudential Regulation Authority (APRA) guidelines
- scheme return assumptions underpinning modelling of the repatriation of surplus QSuper funds
- the impacts of international uncertainties, including Brexit and tensions in the South China Sea and Turkey, on QSuper returns
- prudential standards and reporting requirements in relation to QSuper
- public comments from the chief executive officer of QSuper in relation to the Government's decision to undertake surplus repatriation from the Defined Benefits Scheme
- the liquidation of Queensland Investment Corporation (QIC) portfolio units to fund the repatriation of surplus super funds
- QIC investment decisions and independence from Government
- whole-of-balance-sheet reform, as part of the Government's economic plan
- the decrease in the State's net worth in the General Government sector and 2016-17 budget forecast and the lower General Government debt-to-revenue ratio over forward estimates
- the forecast reduction in gaming revenue associated with planned changes to electronic gaming machine tax arrangements for amalgamated clubs, and the consideration of impacts in budget forecasts
- Queensland's economic growth forecast for 2016-17 compared to forecast growth in other states
- progress against identified initiatives in the Government's plan to advance Queensland's economy
- Government efforts to diversify the economy and the State's relative economic diversity in comparison to other jurisdictions
- the Industry Attraction Fund and how it will help attract industry and investment to Far North Queensland and regional areas
- the Treasury's market-led proposals framework and opportunities for private sector investment, including the number of proposals received by the Government, formally assessed by Queensland Treasury, and awaiting approval
- forecast savings, including disaggregated merger savings and efficiency savings respectively as a result of the Australian Energy Regulator's (AER) determination for network efficiency savings for Energex and Ergon
- the benefits to the budget in retaining government-owned corporations as income-generating assets, as opposed to privatisation
- details of key regional capital projects in 2016-17 and the benefits for local economies and jobs
- the number of jobs supported by the 2015-16 capital program
- the casualisation of the workforce and potential changes in the competitive labour market to assist local workers
- Queensland's tax competitiveness in relation to other states

- possible tax increases and Government engagement on tax issues with the Federal Government and Queensland population
- periodic instalment payment options for car registration, including the possibility of establishing monthly payment options
- the benefits of the \$5,000 boost to \$20,000 for 12 months to the Queensland first home owner's grant
- scope for Government intervention to cap fines and fees charged by toll companies for non-payment of tolls, and
- how much new State Penalties Enforcement Registry (SPER) are expected to reduce liabilities, including identified performance targets.

The Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport took a question on notice during the hearing in relation to the itemisation of savings associated with the AER's determination for network efficiency savings outlining lower operating capital and costs. The response to this question is included in the volume of additional information tabled with this report.

4.2 Motor Accident Insurance Commission/Nominal Defendant

Established under the *Motor Accident Insurance Act 1994* (Qld), the Motor Accident Insurance Commission (MAIC) is the regulatory authority responsible for the ongoing management of the Compulsory Third Party (CTP) insurance scheme in Queensland. The Nominal Defendant is the complementary statutory body established under the Act to compensate people who are injured as a result of negligent driving of unidentified and/or motor vehicles with no CTP insurance. The Nominal Defendant acts as the insurer of last resort by meeting the claim costs of any licensed insurer who may become insolvent.⁸³

MAIC and the Nominal Defendant are funded by a statutory levy payable within the CTP insurance premium, which is set on the basis of an actuarial assessment of claim trends. MAIC also funds targeted research and road safety initiatives to reduce the frequency and impacts of motor vehicle accidents using revenue from compliance fines and income earned on investment.⁸⁴

In 2016-17, MAIC and the Nominal Defendant will:

- work to progress the establishment and funding of the Road Trauma Mitigation advisory Group
- progress its 2015-16 investment of \$14.8 million in a transitional rehabilitation service pilot at Princess Alexandra Hospital's Brain Injury Rehabilitation Unit targeting improved in-patient rehabilitation
- progress work to deliver cost reductions through process improvements
- work with the National Injury Insurance Agency Queensland to implement the National Injury Insurance Scheme Queensland (NIISQ) for motor vehicle accidents from 1 July 2016
- respond to the outcome of the Opportunities in Personalised Transport Review Taskforce and the introduction of the NIISQ through legislative and regulatory amendments
- develop a National Heavy Vehicle Registration System with the National Heavy Vehicle Regulator and Department of Transport and Main Roads

⁸³ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 37

⁸⁴ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 36

- establish a road safety innovation fund to invest in research and targeted initiatives aimed at reducing the incidence of road traffic crashes
- explore opportunities that position MAIC and the CTP scheme to manage future innovation and disruption
- continue to support a culture of innovation and improvement in service delivery within MAIC, Nominal Defendant and across the CTP scheme, and
- continue to undertake supervision activities to strengthen licensed insurer governance and compliance monitoring regimes.⁸⁵

The following table provides a summary of the MAIC budget for 2016-17 in comparison to 2015-16.⁸⁶

Agency	2015-16 \$'000	2016-17 \$'000
Motor Accident Insurance Commission	22,978	26,448

Source: Queensland Government, *State Budget 2016-17 Service Delivery Statements – Queensland Treasury*, p.39

4.3 Queensland Productivity Commission

The Queensland Productivity Commission (QPC) was established as an independent statutory body under the *Queensland Productivity Commission Act 2015* (Qld). The QPC's role is to undertake independent, in-depth reviews of complex economic, industry and regulatory issues through open and transparent processes informed by wide public consultation; and to formulate policy proposals and recommendations to Government to encourage economic growth, productivity and improved living standards across Queensland.⁸⁷

Key functions include:

- conducting public inquiries into productivity, economic development and industry matters
- regulatory guidance and advice to departments
- competitive neutrality advice, and
- productivity research.⁸⁸

In 2015-16, the QPC was responsible for two major inquiries as directed by the Treasurer – the *Electricity Pricing Inquiry (Draft) Report* and the *Solar Feed-In Pricing in Queensland Inquiry*. In addition, the QPS undertook an independent impact assessment of the Sugar Industry (Real Choice in Marketing) Amendment Bill 2015 and conducted investigations and made recommendations in relation to four competitive neutrality complaints.⁸⁹

In 2016-17, the QPC will:

- continue to deliver independent regulatory advice and guidance to departments and investigate any competitive neutrality complaints against Queensland State and local businesses, and

⁸⁵ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 36

⁸⁶ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 39

⁸⁷ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 49

⁸⁸ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 49

⁸⁹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 49

- undertake inquiries on matters related to productivity, economic development or industry, as directed by the Treasurer.⁹⁰

4.3.1 Issues raised at the public hearing – Queensland Productivity Commission

Issues raised in relation to the QPC included:

- the expected increase in output from the QPC associated with \$7.4 million in additional funding and a \$1.9 million increase in base funding identified in the 2015-16 budget, and
- the salary classification levels of staff employed by the QPC.

4.4 Department of Aboriginal and Torres Strait Islander Partnerships

The Department of Aboriginal and Torres Strait Islander Partnerships provides whole-of-government leadership in Aboriginal and Torres Strait Islander policy, coordination and monitoring, and service delivery. The Department's vision is for Aboriginal people and Torres Strait Islander people to participate fully in Queensland's vibrant economic, social and cultural life, which it seeks to achieve by increasing their economic participation and community participation.⁹¹

The Department has two service areas, which align with these key service outcomes: an *Economic Participation* service area and a *Community participation* service area.⁹²

Economic Participation

The *Economic Participation* service area delivers policies, programs and services that support Aboriginal people and Torres Strait Islander people to enter and actively participate in the workforce and access more opportunities to secure businesses, own land and own homes. This includes brokering employment opportunities in various industry sectors; assisting aspiring homeowners to move towards home ownership; improving business opportunities; and transferring identified State-owned lands and national parks to formal Aboriginal ownership.⁹³

Community Participation

The *Community Participation* service area delivers policies, programs and services that result in connected, connected, safe and caring communities and communities that value Aboriginal and Torres Strait Islander cultures and heritage. This includes whole-of-government leadership in addressing disparity in the areas of justice, health, education, employment and housing outcomes between Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander Queenslanders; administering cultural heritage legislation; and supporting non-government organisations to deliver programs that strengthen communities.⁹⁴

4.4.1 DATSIP 2016-17 Budget Highlights

In 2016-17, the Department will deliver the following initiatives through its two service areas:

- \$18.1 million over four years to continue and expand the role of the Remote Indigenous Land and Infrastructure Program Office. The Program Office will provide a one-stop shop in addressing land administration issues and co-ordinating all infrastructure projects, including

⁹⁰ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 49

⁹¹ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of Aboriginal and Torres Strait Islander Partnerships, 2016, p. 2

⁹² Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of Aboriginal and Torres Strait Islander Partnerships, 2016, p. 1

⁹³ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of Aboriginal and Torres Strait Islander Partnerships, 2016, p. 3

⁹⁴ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Department of Aboriginal and Torres Strait Islander Partnerships, 2016, p. 2

capital and minor works, within 34 discrete Aboriginal and Torres Strait Islander communities and in so doing, maximise local jobs and economic opportunities

- \$15.3 million over four years to continue the Cape York Tenure Resolution Program which enables the transfer of State-owned lands and national parks to formal Aboriginal ownership in Cape York communities
- \$3 million over two years for state-wide Economic Participation Partnerships projects that will lead to the employment of Aboriginal people and Torres Strait Islander people and an increased number of sustainable Indigenous businesses
- continue to broker employment opportunities for Aboriginal and Torres Strait Islander Queenslanders
- leading, co-leading and supporting a number of recommendations from the Government's response to the Domestic and Family Violence Taskforce *Not Now, Not Ever: Putting an End to Domestic Violence in Queensland* report (*Not Now, Not Ever* report), including co-designing and trialling a place-based, culturally appropriate integrated service model in a discrete community
- providing \$2.7 million over four years to support an integrated response to domestic and family violence in eight locations across the State
- co-leading the Aboriginal and Torres Strait Islander Child Protection Service Reform Project to address over-representation of Aboriginal and Torres Strait Islander children and families in the child protection system, with a focus on discrete communities and jointly leading the development and implementation of a Queensland action plan for vulnerable Aboriginal and Torres Strait Islander children and families
- implementing the Stolen Wages Reparations Taskforce recommendations. These include acknowledging the use of stolen wages and savings money by past governments to build key public infrastructure and to document the history of stolen wages and savings in Queensland. The Taskforce recommendations are considered important acts of reconciliation for Aboriginal and Torres Strait Islander Queenslanders and their families
- continuing to deliver the Welfare Reform Program in the five communities of Aurukun, Coen, Doomadgee, Hope Vale and Mossman Gorge, including supporting the Family Responsibilities Commission to encourage welfare recipients to take responsibility for their lives and their families, and providing youth development activities, upgrades to infrastructure, parenting programs, and support to businesses and employment
- providing \$1.3 million for a From Jails to Jobs pilot initiative to deliver life changing opportunities for Aboriginal and Torres Strait offenders to 'break the cycle' of reoffending by gaining new skills and stable employment, and
- continuing to develop an Aboriginal and Torres Strait Islander Justice Strategy to complement and leverage existing and planned reform agendas and focus Queensland's significant investment in justice to develop new approaches and better outcomes for Aboriginal people and Torres Strait Islander people.⁹⁵

⁹⁵ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of Aboriginal and Torres Strait Islander Partnerships*, 2016, pp. 3, 6.

In addition to its controlled expenditure, the department administers funds on behalf of the State and Australian Governments for payments to the Family Responsibilities Commission and for royalty payments to the Western Cape Community Trust.⁹⁶

The following table taken from the *Appropriation Bill 2016* compares the appropriations for the department for 2015-16 (budget) and 2016-17.⁹⁷

Appropriations	2015-16 \$'000	2016-17 \$'000
<i>Controlled Items</i>		
departmental services	55,181	74,467
equity adjustment	..	3,000
<i>Administered Items</i>	9,935	12,571
Vote	65,116	90,038

Source: Appropriation Bill 2016, Schedule 2, p.7

The increase of \$24.9 million on the 2015-16 budgeted expenditure reflects policy decisions including the continuation of the Remote Indigenous Land and Infrastructure Program Office and the Cape York Tenure Resolution Program, together with funding for new initiatives such as the From Jails to Jobs program pilot; Economic Participation Partnerships Projects; and to support an integrated response to domestic and family violence.⁹⁸

Expenditure over the department's forward estimates reduces after 2016-17, mainly reflecting the completion of the current National Partnership Agreement on Remote Indigenous Housing and other infrastructure programs.⁹⁹

Total capital purchases in 2016-17 are estimated to be \$3.8 million and capital grants to be \$11.9 million. The capital allocations are as follows:

Program Highlights (Property, Plant and Equipment)

- \$3 million towards land acquisitions related to the Cape York Tenure Resolution Program.
- \$350,000 for plant and equipment replacement in the Retail Stores, and
- \$470,000 for other property, plant and equipment.

Program Highlights (Capital Grants)

- \$11.9 million for programs to develop land infrastructure and subdivisions for social housing in remote and discrete Indigenous communities.¹⁰⁰

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

Issues raised in relation to Aboriginal and Torres Strait islander Partnerships included:

- the Government Champions Program and Ministerial Champions Program and their support of Indigenous communities and culture

⁹⁶ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of Aboriginal and Torres Strait Islander Partnerships*, 2016, p. 8

⁹⁷ This table indicates the agency budget. It may not represent the actual appropriation.

⁹⁸ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of Aboriginal and Torres Strait Islander Partnerships*, 2016, p. 14

⁹⁹ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements, Department of Aboriginal and Torres Strait Islander Partnerships*, 2016, p. 14

¹⁰⁰ Queensland Government, State Budget 2016-17 *Capital Statement - Budget Paper No. 3*, 2016, p.32

- procurement processes and the value of Government procurement support for Aboriginal and Torres Strait Islander businesses
- Government efforts to facilitate jobs for Aboriginal and Torres Strait Islander people
- performance measures or benchmarks for the Government's Jails to Jobs pilot employment program
- reporting outcomes in relation to school safety, student behaviour management and school attendance for the Cape York Aboriginal Australian Academy
- delays in annual reporting from the Cape York Aboriginal Australian Academy
- Initiatives to help reduce imprisonment for driving offences in rural and remote communities, including driver training and other assistance to gain a licence
- work being undertaken to repatriate and return ancestral remains of Aboriginal and Torres Strait Islander people to their traditional lands
- the status of the Government's Alcohol Management Plan General Review and community-specific reviews, including expected reporting dates; the extent of consultation meetings with communities since February 2015; and funding allocated towards the reviews
- the role and importance of the Remote Indigenous Land and Infrastructure Program Office, and
- the status of the reparation of stolen wages program.

Additional information in relation to annual reporting and performance outcomes for the Cape York Aboriginal Australian Academy was provided in a response to a question taken on notice, which is included in the volume of additional information tabled with this report.

4.5 Department of National Parks, Sport And Racing

The Department of National Parks, Sport and Racing is committed to a vision of that Queenslanders are enriched and connected through healthy parks and active lifestyles. Consistent with this vision, the department supports the Government's commitments by:

- protecting and managing our parks, forests and the Great Barrier Reef for current and future generations
- supporting and encouraging active participation in physical activity, and
- supporting the Queensland racing industry.¹⁰¹

The department's services are delivered through three service areas that directly align with these functions – *National Parks, Sport and Recreation*, and *Racing*.

The Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport has responsibility for the *Sport and Recreation* service area only. The National Parks service area is the responsibility of the Minister for Environment and Heritage Protection and Minister for National Parks and the Great Barrier Reef. The Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs has ministerial and portfolio responsibilities for the *Racing* service area and the Queensland Racing Integrity Commission.¹⁰²

¹⁰¹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, p. 3

¹⁰² Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, pp. 1-2

Sport and Recreation

The objectives of the *Sport and Recreation* service area are to:

- create jobs and a diverse economy by: working with industry partners and the community to improve job opportunities; and supporting local sport and recreation infrastructure and participation opportunities
- deliver quality frontline services by providing programs, workshops and resources to encourage all Queenslanders to be more physically active, and
- build safe, caring and connected communities by: supporting the sport and recreation community across all regions to enhance participation, particularly for children and young people, disadvantaged groups and women and girls; and optimising performance of elite athletes and coaches.¹⁰³

The service area seeks to achieve these aims through the development and delivery of a wide range of initiatives. This includes:

- developing and delivering a suite of funding programs to support community sport and active recreation needs
- providing education and training programs that contribute to building the capacity of the sport and recreation sector
- providing resources for parents and teachers aimed at encouraging all Queenslanders, particularly young people, to be more physically active
- managing purpose-built sport and active recreation facilities, including the Queensland Recreation Centres, and
- developing elite athletes at the Queensland Academy of Sport.¹⁰⁴

Departmental controlled expenses for *Sport* area services in 2016-17 are \$145.0 million, of an overall controlled departmental expenditure budget of \$400.6 million. This compares to a controlled service area expenses budget of \$146.4 million in 2015-16.¹⁰⁵

Sport and Recreation budget highlights for 2016-17 include:

- supporting grassroots sport and recreation participation through the Get in the Game initiative, with \$48 million allocated across the four key programs:
 - \$5.6 million for Get Started Vouchers to provide up to \$150 to encourage more children and young people to play sport and become involved in recreation activities
 - \$3.6 million for Get Going Clubs to support not-for-profit sport and active recreation organisations in creating and providing access to participation opportunities
 - \$12.8 million for Get Playing Places and Spaces for new or upgraded sport and active recreation facility projects, and
 - \$26 million for Get Playing Plus for major new or upgraded sport and active recreation places and spaces

¹⁰³ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, p. 3

¹⁰⁴ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, p. 6

¹⁰⁵ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, pp. 11-12

- working with industry partners and the community, contributing funding of \$19.4 million to deliver services to increase participation in sport and recreation for all Queenslanders, particularly children and young people, women and girls, Indigenous people and culturally sensitive groups
- investing \$3.5 million to support the planning and delivery of fit-for-purpose sport and recreation infrastructure across our local, regional and remote communities
- investigating options to improve safety in combat sports contests, and
- supporting Queensland athletes through the QAS in their preparations for the 2016 Olympic and Paralympic Games, and the Gold Coast 2018 Commonwealth Games.¹⁰⁶

In addition to capital grants provided through the Get Playing and Get Playing Plus programs and approximately \$6.0 million in property, plant and equipment funding; service area body Stadiums Queensland will also distribute \$30.5 million in capital funding.¹⁰⁷ This is comprised of:

- a further \$15.0 million to develop and build a State netball facility at the Queensland Sports and Athletics Centre in partnership with Netball Queensland, as part of a two-year, \$30 million funding commitment commenced in 2015-16, and
- ongoing funding of approximately \$15.5 million for the annual capital maintenance program.¹⁰⁸

4.5.1 Issues raised at the public hearing – Sport

Issues raised in relation to the Sport portfolio included:

- the number of applications and successful allocations under the Get Started Vouchers program in 2014-15 and 2015-16, including a six per cent reduction in vouchers issued and redeemed in 2015-16
- changes in the referral agent criteria for the Get Started Vouchers program
- the number of Get Started Vouchers issued and redeemed per electorate
- Government actions to support athletes to reach their goals, including selection in national teams
- jobs created in regional communities through the Get in the Game initiative
- measures to make programs more accessible for children in rural and regional Queensland who may have more difficulty accessing referees or technology to complete applications
- Government funding increases to help local clubs and local councils
- initiatives and projects underway to increase sport and recreational participation in the Ipswich region, and
- management and hire fees at the Redbank-Collingwood Park Sport Complex.

Additional information on the Get Started Vouchers program and the management of the Redbank-Collingwood Park Sports Complex was provided in responses to questions taken on notice at the hearing, which are included in the volume of additional information tabled with this report.

¹⁰⁶ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, p. 6

¹⁰⁷ Queensland Government, *Queensland Budget 2016 Capital Statement*, 2016, pp. 83-84

¹⁰⁸ Queensland Government, *Queensland Budget 2016 Capital Statement*, 2016, p. 84

5 Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs

The Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs has the following ministerial and portfolio responsibilities:

- Queensland Treasury – *Industrial Relations* service area and employment initiatives within the *Economic* service area
- Department of National Parks, Sport and Racing – *Racing* service area
- Queensland Racing Integrity Commission, and
- Department of Communities, Child Safety and Disability Services – the Multicultural Affairs portfolio, within the *Community Services* service area.

5.1 Queensland Treasury – Employment and Industrial Relations

Employment

The *Economic* service area has responsibility for delivering employment policy and programs to support the Working Queensland Strategy and providing advice on broader Queensland labour market issues.

In 2016-17, the service area's priority employment activities include:

- collaborating with relevant agencies to continue to deliver the Working Queensland strategy, including evaluation of employment outcomes, and
- leading the Back to Work – Regional Employment Package on behalf of Government

Part of the Government's Jobs Now, Jobs for the Future plan, the Working Queensland strategy is a \$1.6 billion package established in 2015 to help boost the confidence of business to create jobs; increase the productivity of the State's labour force through skills development; foster emerging and innovative industries; and support investment in productive infrastructure.¹⁰⁹

The Back to Work – Regional Employment Package is a two-year, \$100 million package aimed at giving businesses the confidence to employ regional jobseekers and providing an economic boost to regions facing challenging times. The Package includes:

- \$80million for support payments for employers to take on regional jobseekers, including long term unemployed jobseekers
- \$10million for additional training for eligible jobseekers to gain the skills they need for work through the Back to Work Certificate 3 Guarantee Boost, and
- \$10million for Back to Work Officers to work with local employers and build regional employment solutions. Officers will also help create the capacity needed to meet emerging needs through networks and other innovative ideas.¹¹⁰

These identified Back to Work regions are: Far North Queensland, North Queensland, Mackay/Whitsunday, Central Queensland, Wide Bay Burnett, North West and South West.¹¹¹

¹⁰⁹ Queensland Government, Queensland Budget 2015-16 *Jobs Now, Jobs for the Future: Queensland Government employment plan*, 2015, p. 1

¹¹⁰ Queensland Government, *Back to Work – Regional Employment Package Fact Sheet*, 2016. [<https://backtowork.initiatives.qld.gov.au/wp-content/uploads/2016/06/Back-to-Work-Overview-Factsheet.pdf>]

¹¹¹ Queensland Government, *About, Back to Work – Regional Employment Package*, webpage. See: [<https://backtowork.initiatives.qld.gov.au/about/>]

Industrial Relations

The *Industrial Relations* service area contributes to a fair, safe and just Queensland through a range of activities including:

- industrial relations policy and regulation
- public sector bargaining and industrial relations
- administration of the Industrial Court and Commission system Workplace health and safety services
- advice and standards to keep Queenslanders safe at work
- standards and strategies for electrical safety and improved electrical safety performance
- workers' compensation services, and
- electrical safety services, and
- workers' compensation services.¹¹²

In 2016-17, \$141.1 million in controlled departmental expenses has been budgeted for the service area, compared to a controlled service area expenses budget of \$131.8 million in 2015-16.¹¹³ Contributing to the increase are costs associated with Workers' Compensation Services and Workplace Health and Safety Queensland, which is funded by additional funding from WorkCover Queensland.¹¹⁴

The service area's key priorities for 2016-17 are to:

- implement the Government's response to the Industrial Relations Legislative Reform Reference Group report
- apply the Government's wages policies, award modernisation and enterprise agreements for public sector and GOCs
- progress initiatives under the Government's Improving Safety for Queenslanders at Work Policy, including:
 - conducting targeted compliance and advisory activities for priority hazards and industries
 - improving work health and safety outcomes for high risk industry subsectors and the priority work-related disorders
 - rolling out initiatives to address work-related injuries and disease, and
 - working with the Commissioner for Electrical Safety and restored electrical safety committees to implement the five year electrical safety plan for Queensland, and
- implement workers' compensation initiatives aimed at improving rehabilitation and return to work outcomes across the scheme, including
 - a new Queensland workers' compensation capacity certificate
 - a dedicated website, education and engagement initiatives for doctors to promote the scheme and recovery at work, and

¹¹² Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 12

¹¹³ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, pp. 19-21

¹¹⁴ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Queensland Treasury*, 2016, p. 22

- delivery of return to work education and awareness initiatives including tools for small businesses.¹¹⁵

Queensland Treasury has also allocated \$2.4 million in capital expenditure for ongoing asset replacement for the Office of Industrial Relations, including leasehold improvements and the replacement of information technology software, hardware and office equipment.¹¹⁶

5.1.1 Issues raised at the public hearing – Employment

Issues raised at the hearing in relation to the Employment portfolio included:

- the location, frequency and benefits of Government employment forums
- Government efforts to address youth unemployment
- Government employment initiatives in South East Queensland
- the key elements of the Back to Work – Regional Employment Package program and any alternative approaches considered
- the regional focus of the Back to Work program and its exclusion of South East Queensland and particularly Ipswich, Toowoomba and Brisbane
- the lack of a turnover cap for employer eligibility for the Back to Work program and the appropriateness of potentially allowing for payments or subsidisation of large multinational companies
- eligibility criteria and application processes for the Back to Work program
- requirements for co-contributions for training for some jobseekers under the Back to Work program and average likely expenses (Certificate 3 Guarantee Boost), depending on existing qualifications
- scope for choice of training providers under Back to Work program
- Government consultation with the Chamber of Commerce and Industry Queensland (CCIQ) and other and peak employers in relation to the Back to Work program
- the Minister's involvement with the establishment of Jobs Queensland
- information available on the Jobs Queensland website
- the Jobs Queensland Interim Reference Group and its membership, meetings and activities, and
- advice received by the Minister in relation to potential job losses associated with the reduction in trading hours and lockout laws commencing in 2017.

5.1.2 Issues raised at the public hearing – Industrial Relations

- Government action to ensure Queensland's industrial relations laws and tribunals are fair and balanced, including consideration of additional reforms
- the progress of public sector and government-owned corporation bargaining
- whether the Government has entered into any formal or informal agreements or memoranda of understandings with trade unions regarding conditions for construction work on state-funded projects

¹¹⁵ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 12

¹¹⁶ Queensland Government, Queensland Budget 2016-17 *Service Delivery Statements*, Queensland Treasury, 2016, p. 20

- staffing and budgeted expenditure for the Building Construction and Compliance Branch across the forward estimates
- visits by Queensland industrial inspectors to the Carrara Sports Precinct Redevelopment and Fair Work Building and Construction inspectorate action in relation to the project
- advice requested by the minister in relation to the Carrara Sports Precinct Redevelopment and possible obligations or actions under legislation
- advice provided by the department as to the Minister's powers to intervene in a matter or refer a matter to Fair Work for investigation with respect to protected action
- meetings between Mr Michael Ravbar and the Minister and departmental officials in 2015-16, including details of those present and the matters discussed
- the department's appointment of Mr Brad O'Carroll on a temporary contract and his role
- the current status of the selection processes for the appointment of a new chief executive officer of WorkCover to replace the outgoing chief executive officer
- the membership of the selection panel for the appointment of the new WorkCover chief executive officer, including whether Ms Katarina Carroll was considered for the selection panel
- the current financial status of the workers' compensation scheme and the level of workers' compensation premiums
- the process for retired miners to claim workers' compensation in relation to black lung disease, in light of the re-emergence of black lung disease in Queensland
- eligibility and cost considerations for accessing compensation for diagnostic X-rays in relation to black lung disease
- maximum statutory lump sum compensation amounts in relation to asbestos related diseases
- the Government's *State-wide strategic plan for the safe management of asbestos in Queensland 2014 to 2019* and key actions for 2016-17, and
- the Government's quad bike safety awareness campaign

5.2 Department of National Parks, Sport and Racing

Within the Department of National Parks, Sport and Racing, the Minister is responsible for the *Racing* service area and for the Queensland Racing Integrity Commission.

Racing

The objective of the *Racing* service area is to administer legislation related to the racing industry and manage programs to support Queensland racing.

The service area:

- provides policy advice to Government on racing matters, and
- administers programs related to the provision of Queensland Government funding to the racing industry.¹¹⁷

¹¹⁷ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, p.8

Department controlled expenses for the *Racing* service area in 2016-17 are \$30.5 million, compared to budgeted service area expenses (controlled) of \$50.6 million in 2015-16.¹¹⁸ The decrease is due to the transfer of functions from the department to the Queensland Racing Integrity Commission as part of a machinery-of-government change that is to take effect from 1 July 2016.¹¹⁹

Key commitments and initiatives for 2016-17 include to:

- provide \$6 million (of \$21 million over four years) for the Country Racing Support Program to help support country racing, and
- administer programs providing funding for critical racing projects., including the provision of \$6.1 million in racing infrastructure grants.¹²⁰

5.2.1 Issues raised at the public hearing – Racing

Issues raised by the Committee in relation to the Racing portfolio included:

- the Government's response to the Queensland Greyhound Racing Commission of Inquiry and progress in relation to the issue of animal welfare in the racing industry
- the implications of the New South Wales Government's decision to ban greyhound racing and possible implications for the Queensland greyhound industry
- the \$21 million Country Racing Support program package and the sourcing and allocation of funds across the four-years to 2019-20
- the allocation of sustainability funding under the Country Racing Support program
- Cabinet support for the Country Racing Support program
- recent Queensland Government appointments to Racing Queensland
- Racing Queensland initiatives to drive growth in turnover amid increasing competition in the wagering market
- the Government's planned use for the second payment of the exclusive wagering authority fee from Ubet
- the planned establishment of the Racing Infrastructure Fund Board and operation of the fund, including the development of priorities for infrastructure spending in the industry
- the size of the Racing Infrastructure Fund and its location within the Queensland Treasury
- the status of project applications for Racing Infrastructure Fund allocations, including the number of projects approved in 2015-16 and the number and details of applications currently being assessed or waiting to be assessed.
- the status and timing of decision making processes in relation to the Bundamba Track and the proposed inclusion of a greyhound track, and
- the status of the Racing Queensland Board's consideration of Ipswich Turf Club's infrastructure development proposal and related greyhound club infrastructure needs at the Ipswich Showgrounds.

¹¹⁸ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, pp.11-12

¹¹⁹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, p.15

¹²⁰ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, pp.8, 16

5.3 Queensland Racing Integrity Commission

The Queensland Racing Integrity Commission (QRIC) is a statutory body created under the *Racing Integrity Act 2016* (Qld) to ensure the integrity of the Queensland animal racing industry. QRIC will operate from 1 July 2016, with the following functions:

- licensing animals and participants for a code of racing
- overseeing the integrity of race meetings
- investigating complaints about racing
- gathering and analysing intelligence about activities which threaten integrity and welfare standards
- safeguarding the welfare of animals involved in racing
- enhancing the safety of participants and the public
- promoting compliance and integrity through education
- regularly reviewing and assessing compliance and integrity across the industry, and
- working collaboratively with other investigating and prosecuting entities.¹²¹

During 2016-17, QRIC plans to:

- develop standards for each code of racing
- ensure the suitability of those involved in racing including bookmakers, breeders, owners, trainers and jockeys
- oversee the conduct of race meetings, and ensure the rules of racing and other regulatory policies and procedures are adhered to
- manage testing for prohibited substances, including developing or adopting procedures for analysis
- monitor, investigate and enforce action on animal welfare breaches and breaches of the rules of racing
- continuously improve integrity-related knowledge and skills of industry participants
- strengthen partnerships and intelligence sharing with key national and state law enforcement bodies, international and national integrity bodies and government agencies
- strengthen partnerships with stakeholders and the racing industry, and
- strengthen professional capability, skills, knowledge and experience.¹²²

QRIC's operations are funded by the Department of National Parks, Sport and Racing, which administers funding for the body on behalf of the State. Racing Queensland contributes to the financing of QRIC's operations, with this portion of funding returned to the Consolidated Fund through the department's administered accounts before being appropriated to QRIC.¹²³

¹²¹ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, p.28

¹²² Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, p.28

¹²³ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of National Parks, Sport and Racing*, 2016, p.10

5.3.1 Issues raised at the public hearing – Queensland Racing Integrity Commission

Issues raised at the hearing in relation to QRIC included:

- the establishment and progress of QRIC
- the sourcing of \$37.5 million in QRIC funding from consolidated revenue, and likely future funding of QRIC
- clarification of QRIC cost estimates in relation to contributions from Racing Queensland
- significantly increased costs for the integrity function of racing in Queensland, and particularly for associated employee expenses, as compared to the previous integrity budget of Racing Queensland, and
- the size of QRIC employee expenses and the use of employment consultants in addition to QRIC employees amid increasing employee expenses.

5.4 Multicultural Affairs

The Department of Communities, Child Safety and Disability Services aims to enable all Queenslanders to participate in and contribute to a fair, resilient and prosperous State.¹²⁴

The department's activities are delivered through three service areas:

- Child and Family Services
- Disability Services, and
- Community Services.¹²⁵

Multicultural affairs initiatives are administered by the *Community Services* service area, which includes Multicultural Affairs Queensland (MAQ).

In 2016-17, MAQ has committed \$770,000 to lead the implementation of the *Multicultural Recognition Act 2016*, including for:

- the development of a Queensland multicultural policy and action plan
- the establishment of and support for the Multicultural Queensland Advisory Council, and
- the promotion of the Multicultural Queensland Charter.¹²⁶

These initiatives will contribute to social and economic opportunities for people from culturally and linguistically diverse backgrounds across Queensland.¹²⁷

In addition, funding of \$1 million in 2016-17 will provide support through the Celebrating Multicultural Queensland grants program for community events and projects to celebrate and promote the benefits of multiculturalism.

Funding of \$2.1 million will be provided for the Community Action for a Multicultural Society (CAMS) program, to facilitate social connectedness for culturally and linguistically diverse individuals and groups.¹²⁸

¹²⁴ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of Communities, Child Safety and Disability Services*, 2016, p. 2

¹²⁵ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of Communities, Child Safety and Disability Services*, 2016, p. 2

¹²⁶ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of Communities, Child Safety and Disability Services*, 2016, p. 9

¹²⁷ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of Communities, Child Safety and Disability Services*, 2016, p. 9

5.4.1 Issues raised at the public hearing – Multicultural Affairs

Issues raised by the Committee in relation to Multicultural Affairs included:

- the department's collection of performance data in relation to employment outcomes and other measures of multicultural participation and inclusion
- changing performance measures engaged by the Department, including the discontinuation of measures with respect to job outcomes for culturally and linguistically diverse Queenslanders
- the establishment of the Multicultural Advisory Council under the *Multicultural Recognition Act 2016* (Qld) and planned development of a new multicultural policy, action plan and associated performance measures and targets
- the interim multicultural reference group's advice and input into the development of the *Multicultural Recognition Act 2016* and the status and timeframe for the finalisation of selection processes for the Multicultural Advisory Council
- the role of Multicultural Affairs Queensland in supporting the government's response to the *Not Now, Not Ever* report
- how \$1 million in 2016-17 for the Celebrating Multicultural Queensland grants program will support multicultural events and projects in regional Queensland, including recent changes to the program to improve access of community organisations to program funding
- new projects planned for the CAMS program in 2016-17 with increased funding of \$2.1 million (up from \$1.7 million) allocated in 2016-17
- the number of culturally and linguistically diverse individuals and groups that will be supported by the CAMS program in 2016-17
- annual organisational work plans and performance measurement under the CAMS program, and how they help to achieve social cohesion and connectedness
- relationships and cooperation between CAMS officers and police liaison and Queensland Health officers
- the availability of training for workers employed by non-government organisations who are engaged in the CAMS program, including education on domestic violence issues and referral pathways to other government services, and
- itemised funding for translating and interpreting services to support culturally and linguistically diverse Queenslanders in 2016-17, including policy objectives and performance measurement outcomes in relation to these services.

¹²⁸ Queensland Government, *Queensland Budget 2016-17 Service Delivery Statements, Department of Communities, Child Safety and Disability Services*, 2016, p. 9

NON-GOVERNMENT MEMBERS' STATEMENT OF RESERVATION

Mr Ray Stevens MP, Mr Lachlan Millar MP, Mr Pat Weir MP

The Palaszczuk Government's second budget consists of raids, rip offs and write-downs. It is a budget based on short-sighted hollow log raids, instead of outlining a clear economic vision for Queensland and a plan to strengthen the state's financial position. The budget sees unemployment remaining above six per cent, declining business investment, continuing fiscal deficits, debt continuing to increase towards \$80 billion and government expenses growing at almost four times the rate of inflation.

As illustrated throughout the Estimates process, the government has broken a significant number of election commitments and has not lived up to its much-touted commitment to openness and accountability.

Department of Premier and Cabinet:

Despite promising to lead an open and accountable government, the Premier sought to engage in debate about previous budgets rather than actually answer questions about her own budget. Clearly, the Premier was not briefed prior to Estimates and failed to properly answer many important questions.

After sitting on the quarterly workforce statistics as published by the Public Service Commission, miraculously the March quarter statistics appeared on the very same day as the Finance and Administration Estimates Hearings, following a critical media article. The rush to produce these statistics is evidenced by the fact the Premier was able to table the statistics, but they were not made available online until considerably later in the day.

Those statistics showed more than 4,000 full-time equivalent (FTE) positions were created in the public service in just one quarter. As highlighted in the Budget Papers, in 2015-16 the public service grew by 4,103 FTEs more than originally budgeted. Despite the growth in numbers, when asked during Estimates the Premier struggled to identify service delivery improvements for Queenslanders.

When asked specifically about Department of Child Safety performance reporting data from the December quarter 2015, the Premier incorrectly answered by referring to Report on Government Services figures. After the Member for Clayfield pointed out the Premier was using the wrong data, in our opinion she proceeded to personally attack him, instead of answering the question. Worryingly, the Premier was unaware several government departments had failed to meet their service delivery targets, despite the growth in the public service.

It was also revealed during Estimates that the Premier had so far failed to institute a merit-based selection process for the Public Service Commissioner, despite Mr Robert Setter acting in the role for 18 months. The Premier claims to be committed to 'merit based selections' but it's clear through the appointment process of people like Rachel Hunter to Jobs Queensland that this commitment rings hollow.

Child safety is a significant issue that requires the proper attention of government, which is why the Member for Clayfield spent considerable time asking questions of the Queensland Family and Child Commission (QFCC) Principal Commissioner Cheryl Vardon. The LNP Opposition is concerned the

QFCC, noting its role in improving the child protection system, has not provided advice regarding the data from the Department of Child Safety showing a significant number of cases are not being actioned within the recommended timeframes.

It was extremely disappointing during this line of questioning that the Member for Stretton saw fit to intervene asking for an SDS page reference, considering the QFCC clearly falls within the Premier's responsibilities and forms a major part of the Department of Premier and Cabinet's SDS. This was a theme throughout the entire Estimates process, whereby government members sought to obfuscate and run interference, instead of allowing Opposition Members to ask important questions in the public interest that clearly fell within the scope of the relevant SDS.

The Premier's hearings provided further evidence that this government is asleep at the wheel and that it is incapable of keeping its election commitments. When asked to provide an update on the status of the 90-plus reviews the Palaszczuk Government has started, the Premier offered very little detail. The Premier has made much of her commitment to integrity and accountability, but confirmed during Estimates she made the decision to introduce measures to completely overhaul Queensland's voting system without undertaking any consultation at all. The Premier even failed to consult her own Cabinet. In doing so she clearly walked away from the Fitzgerald Principles which she committed to prior to the 2015 State Election. The Premier can talk about integrity and accountability all she wants, but she has failed the test and shattered the trust of the people of Queensland.

It was also revealed during Estimates that the Premier has failed to hold her Ministers to account for their inability to uphold and deliver on their Ministerial Charter letters. A clear example is the Attorney General's failure to properly implement the 'signature' Jobs Queensland commitment. Despite a \$40 million allocation in last year's budget, Jobs Queensland still has no permanent board in place and couldn't manage to spend 10 per cent of its budget allocation for the 2015-16 budget year.

Arts:

The LNP Opposition is extremely disappointed the Palaszczuk Government decided not to pursue the construction of a second theatre as part of the Queens Wharf development. Instead of being built at no cost to taxpayers, the Premier is undertaking a \$1.3 million business case to figure out what is already known – Brisbane needs a second theatre.

Treasury:

At Estimates it was once again made clear this Government has never seen a hollow log that it did not want to raid in an attempt to cover up its fiscal incompetence.

The 2015-16 and the 2016-17 Budgets were both based on unprecedented raids. In the first instance the Treasurer raided \$3.4 billion from the Long Service Leave funding pool and stopped making contributions into the so-called Employer Fund. In his second budget he unashamedly took \$4 billion out of the fund, leaving it more vulnerable to external shocks.

In justifying this unprecedented raid, the Premier and the Treasurer have constantly said they acted on the State Actuary's advice. However, it was made clear at Estimates that they ignored the one and only recommendation the State Actuary Wayne Cannon ever made in relation to the super raid.

The LNP Opposition is concerned at the level of interference in relation to the Actuary undertaking his duties. While all the correspondence between the Actuary and the Under Treasurer was tabled on Budget Day, we now know of discussions "in the corridor, by phone, by email – all sorts of

methods" in relation to the superannuation scheme. It is not clear what else was considered or put forward as part of these discussions. As the State Actuary said:

"Did we have discussions about it prior to a letter appearing on my doorstep? Absolutely."

There is a level of secrecy around these discussions. Noting the Palaszczuk Government's apparent commitment to 'openness and accountability' the Treasurer should make a full public disclosure to outline what was discussed and when.

Following discussions, on February 22 the Under Treasurer wrote to the State Actuary asking him to bring his full actuarial review of the State Public Sector Superannuation Scheme forward by a year. This was done to provide the government with an update for consideration prior to the 2016-17 State Budget.

In that full review the Actuary made a recommendation that a "maximum surplus repatriation of \$2.0 billion" could be undertaken. Despite this obvious recommendation, Mr Cannon was subsequently asked to provide modelling for a raid of as much as \$6 billion. The State Actuary then received further direction from the Under Treasurer as to how he should model subsequent advice provided to government. The LNP Opposition is disappointed the State Actuary's initial recommendation was ignored and that it took an amendment and reapplication in the interpretation of the government's fiscal principles for the State Actuary to finally come up with a number large enough to satisfy the government's voracious appetite for money.

During Estimates it was also revealed that the returns for the super fund in 2015-16 were below the ongoing investment return (also defined as the net investment return or discount rate) of six per cent identified in the State Actuary's full actuarial investigation dated March 31. This again illustrates the uncertainty in these assumptions, with many experts, as evidenced by the Member for Indooroopilly during Estimates, highlighting an expected ongoing period of low returns for superannuants.

It was also made clear that assets will have to be sold to fund the government's unprecedented raid, as highlighted by Queensland Investment Corporation Chief Executive Damian Frawley.

The Estimates process also showed the lengths to which the Government will go to hide modelling regarding the merger of Ergon and Energex from public scrutiny. In a Question on Notice prior to Estimates (refer Non-Government Question No. 3), the LNP Opposition asked for the Energy Queensland merger savings to be disaggregated from efficiency savings related to the Australian Energy Regulator's determination. In the answer provided prior to Estimates these savings were not individually identified. But after the Member for Indooroopilly asked a number of follow up questions during the Estimates process on this topic, the Treasurer indicated in fact those numbers could be separated. This is evidenced by the Question Taken on Notice in relation to this topic. It is difficult to comprehend why the government would seek to hide these numbers from scrutiny, when they are clearly able to be quantified. It's just further evidence this government is not to be believed when it claims to be open and accountable.

Aboriginal and Torres Strait Islander Partnerships:

DATSIP is charged with the lead role in "planning, governance and oversight" of initiatives in respect to Aboriginal and Torres Strait Islander whole-of-government service delivery.

In this respect it fails in its oversight role and thus its core constituency, not because of a lack of good intent nor good people doing their best, but a lack of defined objectives and measurable outcomes across Government.

The Budget papers and mere 30 minutes provided for estimates scrutiny on this area are revealing in what they don't reveal - outcomes.

There is no core document delivered by DATSIP providing meaningful key performance indicators for its own programs or across government agencies delivering services for Aboriginal and Torres Strait Islander people.

The scanty measures that are identified are inadequate for any corporate governance accountability framework.

The Department primarily exists to coordinate service delivery to help address the significant social and economic disadvantage in this group of Queenslanders which is clearly evident in a number of key social indicators.

These social indicators in areas such as health, education and law and order with high prison rates and recidivism, as well as high rates of violence and sexual assault against women and children, require programs with their own key performance measures which are based on outcomes and not just inputs.

As service delivery sits across government, the department was meant to address the "silo effect" and ineffective service delivery by providing coordination. There is no evidence this is being achieved due to the lack of a robust and meaningful set of measures which can be audited.

This is too important an area for a department not to champion transparency of outcomes in service delivery.

Sport:

Again, there was only a short session of time allocated to this portfolio's appropriation. The LNP Opposition questioned the need for better monitoring of Get Started vouchers as part of the Get in the Game initiative. Since the Government changed the referral agent criteria in 2015, we have significant concerns about the ability of children in rural and remote parts of Queensland to have equitable access to the program. This initiative is heavily over-subscribed and vouchers are distributed on a 'first in, first served' allocation basis. The Director-General confirmed those concerns when she said that as the process is completed online, those children who do not have access to technology are already at a significant disadvantage.

Employment/Industrial Relations:

The Government's Back to Work – regional employment package, which was a centrepiece in this year's budget, continues to unravel and pales in comparison to the LNP's policy to Get Queensland Working. The Minister confirmed that key regions in Queensland are not eligible for assistance under the program, including Toowoomba, Ipswich and the Sunshine Coast. This is a Minister who in her first month said that: *"Youth unemployment is always difficult to address. I don't know that there's much you can change structurally," she said. "There's always an issue with youth unemployment. It's not new, it's been around a long time."* It was obvious that the Government's program was poorly thought through, particularly given that the Committee heard evidence that the Chamber of Commerce and Industry Queensland, the State's peak business advocacy group, was not consulted in the development of this initiative. Giving taxpayer subsidies to Coles and Woolworths isn't how to create jobs for young Queenslanders and it is no wonder that youth unemployment continues to be a challenge for a Minister who spends more time in closed door meetings with union bosses like Michael Ravbar from the CFMEU than properly engaging with the business community when it comes to developing initiatives that encourage businesses to employ more young Queenslanders. It

also seemed that the Department was not as fulsome as it could have been when it came to the question of how many meetings Departmental officials had undertaken with Michael Ravbar from the CFMEU. This was exacerbated by the fact that the Minister refused to take a question on notice about the matters she discussed in her meeting with Michael Ravbar on 2 February 2016, simply saying that *"I do not intend to take it on notice. My diaries are public and I am happy to leave it at that."*

Racing:

The LNP Opposition raised concerns at the significant increase in the integrity budget of the new Queensland Racing Integrity Commission (QRIC), costs that the Government has pledged will not be placed on industry for the period of the forward estimates. There is no such commitment beyond 2019/20, and it is very concerning that the industry may have this significant amount of "lead in the saddle" from that time forwards. These costings include an increase in employment expenses from \$5.7M to \$10.8M, administration expenses from approximately \$500,000 to over \$5M and consultants fees up from \$50,000 to over \$370,000. It seems that the focus is on creating a new ballooning bureaucracy that will drain the racing coffers dry, rather than focusing on increasing animal welfare and integrity measures for the sport. In this regard, it is critical to note that the animal welfare and integrity section of QRIC's budget has not increased significantly, despite all of the Government's rhetoric about QRIC being all about animal welfare and integrity. The overall budget, and how that budget is actually spent, is something that the LNP Opposition will monitor over time. The Minister didn't seem to comprehend the concerns from the industry that they will be footing the bill for a bureaucracy that won't actually improve animal welfare outcomes. She also confirmed that there was a significant pool of money in the Racing Infrastructure Fund and yet the Government has no plan for major or minor infrastructure improvements across the State. The Minister seems to be of the belief that the so-called Country Racing Support Package will make up for the devastation that has been caused by the *Tracking Towards Sustainability Report* that was published in December 2015. What the Minister clearly doesn't understand is that despite this country racing package, there are still cuts to country racing locked in across the forward estimates. No amount of political spin or publicity stunts like appointing rugby league players as so called racing ambassadors will make up for the fact that Labor has devastated country racing across the State. Neither the Minister nor Racing Queensland could answer how the \$2 million "support" funding for country racing – funding provided through cuts to prize money - would actually be spent, or whether it would even be spent in country areas. Will this \$2 million a year be spent on consultants or bureaucrats in Brisbane devising strategies for country racing clubs? In fact, the only thing Labor have been successful at is uniting the three codes (thoroughbred, harness and greyhounds) against their racing policies and the decisions they have taken. Anyone who knows anything about the racing industry knows that this is no mean feat. Despite the fact that Labor had to appoint a new Racing Minister to the portfolio, industry confidence and certainty is still at record low levels, while states like New South Wales and Victoria are powering ahead.



Ray Stevens MP
Deputy Chair