



2019-20 Budget Estimates – Appropriation Bill 2019

**Report No. 31, 56th Parliament
Economics and Governance Committee
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Economics and Governance Committee

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Acknowledgements

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

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

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Abbreviations

committee	Economics and Governance Committee
CRRDA	Cross River Rail Delivery Authority
DATSIP	Department of Aboriginal and Torres Strait Islander Partnerships
DLGRMA	Department of Local Government, Racing and Multicultural Affairs
DPC	Department of Premier and Cabinet
FRC	Family Responsibilities Commission
GOCs	Government-owned corporations
ICT	Information communication technology
LDeP	Legislative Drafting and e-Publishing
MAIC	Motor Accident Insurance Commission
OIA	Office of the Independent Assessor
POQA	<i>Parliament of Queensland Act 2001 (Qld)</i>
PSC	Public Service Commission
QAO	Queensland Audit Office
QCA	Queensland Competition Authority
QPC	Queensland Productivity Commission
QRIC	Queensland Racing Integrity Commission
QT	Queensland Treasury
SDS	Service Delivery Statement
SPER	State Penalties Enforcement Registry
TIQ	Trade and Investment Queensland

Chair's foreword

This report presents a summary of the committee's examination of the budget estimates for the 2019-2020 financial year.

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

The committee has recommended that the proposed expenditure, as detailed in the Appropriation Bill 2019 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

On behalf of the committee, I thank the Premier and Minister for Trade; the Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships; and the Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs for their assistance. I also thank the departmental officers and officials from statutory authorities who co-operated in providing information to the committee throughout this process.

I further wish to extend thanks to my fellow committee members for their hard work and contribution to the estimates process, and to other members whose participation in the hearing provided additional scrutiny of the estimates.

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



Linus Power MP

Chair

1 Introduction

1.1 Role of the committee

The Economics and Governance Committee (committee) is a portfolio committee of the Legislative Assembly which commenced on 15 February 2018 under the *Parliament of Queensland Act 2001* (POQA) and the Standing Rules and Orders of the Legislative Assembly.¹

The committee's primary areas of responsibility include:

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

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

On 11 June 2019, the Appropriation Bill 2019 and the estimates for the committee's areas of responsibility were referred to the committee for investigation and report.²

On 23 July 2019, the committee conducted a public hearing and took evidence about the proposed expenditure from:

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

A copy of the transcript of the Committee's hearing is available on the committee's webpage.³

1.2 Aim of this report

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

The committee examined the estimates referred to it by using information contained in:

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

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

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

² Standing Order 177 provides for the automatic referral of the Annual Appropriation Bills to portfolio committees once the Bills have been read a second time.

³ <https://www.parliament.qld.gov.au/work-of-committees/committees/EGC/inquiries/current-inquiries/Estimates2019>.

The answers to the committee's pre-hearing questions on notice, any documents tabled during the hearing, and answers and additional information provided by Ministers after the hearing, are included in a volume of additional information tabled with this report.

1.3 Other Members' participation

The committee gave leave for other Members of the Legislative Assembly to participate in the hearing. The following Members participated in the committee's Estimates hearing for the Appropriation Bill 2019:

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

Correspondence containing the requests for leave for these non-committee Members to attend the hearing and ask questions is included in the volume of additional information tabled with this report.

2 Recommendation

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

Recommendation 1

The committee recommends that the proposed expenditures, as detailed in the Appropriation Bill 2019 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3 Premier and Minister for Trade

The Premier and Minister for Trade has responsibility for the following agencies, services and statutory entities:

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

3.1 Department of Premier and Cabinet

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

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

The DPC's activities are coordinated through four service areas:

- Policy Advice and Coordination, and Cabinet Support
- Strategy and Engagement
- Government Services, and
- Legislative Drafting and e-Publishing.

Policy Advice and Coordination, and Cabinet Support provides coordinated policy advice to the Premier and Minister for Trade, the Cabinet, and the Assistant Minister for Veterans' Affairs and Minister for State. The service area also provides support for the operation of Cabinet and its related processes, including supporting the government's accountability to the Parliament. Further, it aims to provide overarching strategic support to government by charting its strategic direction, progressing its priorities and objectives for the community, delivering its election commitments, and responding to newly-emerging circumstances with state-wide impacts and broader implications for national interests.⁶

Strategy and Engagement takes a leadership role in driving innovative and whole-of-government policy, as well as seeking to represent Queensland's interests in intergovernmental matters, leading strategic communications, and providing protocol services to support external and international engagement for the Queensland Government.⁷

⁴ State Budget 2019-20, Service Delivery Statements (SDS), Department of Premier and Cabinet (DPC), pp 1-2.

⁵ State Budget 2019-20, SDS, DPC, p 3.

⁶ State Budget 2019-20, SDS, DPC, p 4.

⁷ State Budget 2019-20, SDS, DPC, p 7.

Government Services provides policy and operational advice to the Premier in relation to executive government and machinery of government matters, including supporting the administration of business before the Executive Council and providing support services to Ministerial officers and the Office of the Leader of the Opposition. The service area also provides legal advice to the Premier and Director-General and coordinates legal representation for major litigation on a whole-of-government basis.⁸

Legislative Drafting and e-Publishing (LDeP), through the Office of the Queensland Parliamentary Counsel, provides drafting and e-publishing services for Queensland legislation. This service area supports parliamentary democracy in Queensland by drafting legislation, ensuring the statute book is of the highest standard, and arranging public access to legislation and legislative information. LDeP also advises on the application of fundamental legislative principles to ensure legislation has sufficient regard to the rights and liberties of individuals and to the institution of Parliament.⁹

The DPC also has responsibility for administering funding for TIQ and Screen Queensland.¹⁰ Established as a statutory body under the *Trade and Investment Queensland Act 2013*, TIQ is the Queensland Government's dedicated global business agency for trade and investment promotion. TIQ's objectives are to:

- position Queensland globally for success
- grow diversified exports
- attract job creating international exports
- develop talent to grow Queensland
- promote regional success through global links, and
- deliver an exceptional service from a high-performing organisation.¹¹

Screen Queensland is the Queensland Government-funded company responsible for screen industry development in Queensland. Screen Queensland's purpose is to grow the screen industry to be a significant contributor to the economic and cultural wellbeing of Queensland.¹²

3.1.1 Budget overview

The DPC's budgeted expenditure for 2019-20 is \$116.4 million, a decrease of \$14.8 million from the estimated actual budget for 2018-19. The DPC Service Delivery Statement (SDS) states that the decrease is primarily due to:

- funding to Screen Queensland previously provided through the Mid Year Fiscal and Economic Review for the Production Attraction Strategy for the film industry in Queensland, to administered appropriation, and
- the cessation of the Anzac Centenary Commemoration program.¹³

⁸ State Budget 2019-20, SDS, DPC, p 9.

⁹ State Budget 2019-20, SDS, DPC, p 11.

¹⁰ State Budget 2019-20, SDS, DPC, p 13.

¹¹ State Budget 2019-20, SDS, DPC, p 31.

¹² Screen Queensland, *What's our story*, webpage, <https://screenqueensland.com.au/about-sq/whats-our-story/>.

¹³ State Budget 2019-20, SDS, DPC, pp 20, 28.

These decreases are partially offset by additional funding provided for Criminal Justice Reform Framework programs, including the Safer Communities Grants, and for the Premier’s Outback Events program, various initiatives supporting veterans, and the deferral of projects from 2018-19.¹⁴

The Appropriation Bill 2019 proposes that DPC receive appropriation revenue of \$108.3 million in 2019-20.¹⁵ The remainder of the DPC’s \$116.4 million in operating expenses for 2019-20 will be funded by user charges and fees, grants and other contributions, interest and distributions from managed funds, and other revenue.¹⁶

The DPC will also administer funding on behalf of the state, including to Ministerial offices and the Office of the Leader of the Opposition (\$52.5 million), and will provide administered funding to TIQ (\$46.1 million) and Screen Queensland (\$29.2 million).¹⁷

The following table compares the appropriations for the DPC for 2018-19 and 2019-20.

Appropriations	Budget 2018-19 \$’000	Est. Actual 2018-19 \$’000	Vote 2019-20 \$’000
<i>Controlled Items</i>			
departmental services	107,006	92,243	108,273
equity adjustment	..	(2,798)	..
<i>Administered Items</i>	123,127	112,782	128,064
Vote	230,133	202,227	236,337

Source: Appropriation Bill 2019, Schedule 2, p 11.

Capital works program

A total of \$706,000 has been set aside for capital expenditure by the department in 2019-20. This is to fund investments in upgrading multiple information and communication systems, including through enhancements to the department’s intranet, records management system and Queensland Integrated Legislation Lifecycle System.¹⁸

3.1.2 Key issues raised during consideration of the budget estimates

Issues that were raised and considered by the committee in relation to the estimates for the DPC for 2019-20 included:

- the expected number of jobs to be supported or created through the 2019-20 Budget
- programs, initiatives and activities to support job creation throughout Queensland, including the labour hire licensing scheme
- key trade and investment outcomes for Queensland, including investment in hydrogen exports
- the Year of Outback Tourism Events program, and associated opportunities to attract visitors and economic opportunity
- actions taken to combat cyber-bullying in Queensland, including the implementation of recommendations of the Queensland Anti-Cyberbullying Taskforce report

¹⁴ State Budget 2019-20, SDS, DPC, p 20.

¹⁵ Appropriation Bill 2019, Schedule 2, p 11. See also: State Budget 2019-20, SDS, DPC, p 24.

¹⁶ State Budget 2019-20, SDS, DPC, p 22.

¹⁷ State Budget 2019-20, SDS, DPC, pp 13, 14-15, 36.

¹⁸ State Budget 2019-20, SDS, DPC, p 18. The DPC has not reported in the Capital Statement (Budget Paper 3) for 2019-20 due to a reporting threshold of \$1 million.

- disaster recovery assistance provided to maintain the supply of safe and fresh food to communities affected by the north and far north Queensland monsoon trough and other disaster management activities
- policies, programs and initiatives to support the veterans community, including employment programs, and acknowledge the achievements of veterans
- the new Screen Investment fund
- Screen Queensland programs to support employment
- the state’s video gaming industry
- government services to assist young people in acquiring the skills and training they need to enter the workforce
- DPC’s leadership role in implementing domestic violence protection reforms, and trends in reportable incidents
- DPC’s activities in support of the Cabinet and Cabinet Committee agenda, including the establishment and meetings of Cabinet Committees
- advertising campaigns conducted through the DPC’s Strategy and Engagement service area, including decision making of the Government Advertising and Communication Committee
- TIQ collaboration with other state departments and the Australian Defence Force
- TIQ’s hospitality and hosting expenses and the management of complaints for conduct matters in relation to locally engaged TIQ staff
- Advance Queensland business grants
- grants received by the Fortress Capstone company
- compliance with the Ministerial Code of Conduct
- negotiations to secure large-scale sporting events and consideration of a preferred site for a new casino on the Gold Coast
- infrastructure programs in regional Queensland, including projects for hospitals and schools in rural and remote locations
- incarceration of young people in custodial holding cells
- continued investment in wild dog cluster fencing and drought assistance
- limits on the number of gaming machines
- procedural matters relating to the estimates process
- continuing measures to address domestic and family violence in Queensland, and
- cost of living for senior Queenslanders.

3.2 Office of the Governor

The Office of the Governor is an independent entity that provides executive, administrative, logistical and personal support to assist the Governor in exercising the constitutional powers and responsibilities of office, and undertaking constitutional and ceremonial duties and community activities. The Office of the Governor also maintains the Government House Estate, in partnership with the Department of Housing and Public Works.¹⁹

¹⁹ State Budget 2019-20, SDS, DPC, p 41.

3.2.1 Budget overview

The Office of the Governor is funded solely by appropriation revenue, with budgeted expenditure for 2019-20 totalling \$7.3 million. This marks an increase of approximately \$108,000 on the Office's 2018-19 estimated actual budget of \$7.2 million.²⁰ The SDS states that the increase is mostly due to the impact of enterprise bargaining arrangements.²¹

The following table compares the appropriations for the Office for 2018-19 and 2019-20:

Appropriations	Budget 2018-19 \$'000	Est. Actual 2018-19 \$'000	Vote 2019-20 \$'000
<i>Controlled Items</i>			
departmental services	7,174	7,045	7,333
equity adjustment	..	129	..
<i>Administered Items</i>	..	..	..
Vote	7,174	7,174	7,333

Source: Appropriation Bill 2019, Schedule 2, p 13.

In 2019-20, the Office will continue to provide support for the:

- Governor's fulfilment of the constitutional and legal responsibilities of office, through policy advice and executive support
- Governor's ceremonial responsibilities (particularly the Australian Honours and Awards System and other ceremonial parades and military ceremonies)
- Governor's program of civic engagements at Government House, along with educating the community about the role of the Governor and promoting community organisations through His Excellency's patronage
- Governor's commitment to promoting Queensland's produce, culture, trade and business initiatives
- hosting of significant visitors to Government House, and
- stewardship of Government House and the Estate.²²

3.3 Public Service Commission

The PSC is an independent central agency established under the *Public Service Act 2008*. The PSC provides independent advice to government and collaborates across the public sector to achieve its vision of a high-performing, future-focussed public sector for Queensland.²³

The PSC's objectives are to:

- provide effective stewardship of the public sector
- develop public sector capacity
- enable an agile, future-focussed public sector, and

²⁰ State Budget 2019-20, SDS, DPC, pp 44-45.

²¹ State Budget 2019-20, SDS, DPC, p 44.

²² State Budget 2019-20, SDS, DPC, p 50.

²³ State Budget 2019-20, SDS, DPC, p 50.

- optimise the PSC’s capability and performance.²⁴

The Integrity Commissioner is administratively included within the PSC and is responsible for providing advice to designated persons, raising awareness on ethics and integrity issues, and for maintaining the Queensland Register of Lobbyists. The Integrity Commissioner is an independent officer of the Queensland Parliament who reports to the committee.²⁵

3.3.1 Budget overview

The PSC’s budgeted operating expenditure for 2019-20 is \$15.1 million, an increase of \$430,000 on the 2018-19 estimated actual budget (\$14.7 million).²⁶ The SDS states that the increase is primarily due to:

- the completion of planned ICT device replacement, which was deferred to coincide with the roll-out of new ICT arrangements
- the PSC’s continued participation in the DPC Policy Graduate Program, and
- implementing government decisions emerging from reviews of the public sector workforce.²⁷

The budgetary increases associated with these activities are, however, partly offset by the whole-of-government expense ‘Reprioritisation’ measure.²⁸

It is proposed that the PSC will receive appropriation revenue of \$14.3 million in 2019-20, with the remainder of the PSC’s \$15.1 million in operating expenses to be funded from user charges and fees, grants and other contributions, and other revenue.²⁹

The following table compares the appropriations for the PSC for 2018-19 and 2019-20:

Appropriations	Budget 2018-19 \$’000	Est. Actual 2018-19 \$’000	Vote 2019-20 \$’000
<i>Controlled Items</i>			
departmental services	13,675	12,790	14,253
equity adjustment	..	..	..
<i>Administered Items</i>	..	..	..
Vote	13,675	12,790	14,253

Source: Appropriation Bill 2019, Schedule 2, p 14.

Key initiatives for the PSC in 2019-20 include:

- implementing strategic initiatives in the 10 Year Strategic Human Capital Outlook and the 3 Year Strategic Roadmap to promote contemporary workforce planning and management
- supporting the achievement of cross-sector objectives through collaborative, outcomes-focused governance and building capability in community-centred service design
- refining the collation and reporting of workforce data to better support evidence-based decision making

²⁴ State Budget 2019-20, SDS, DPC, p 50.

²⁵ State Budget 2019-20, SDS, DPC, p 50.

²⁶ State Budget 2019-20, SDS, DPC, pp 53-54.

²⁷ State Budget 2019-20, SDS, DPC, p 53.

²⁸ State Budget 2019-20, SDS, DPC, p 53.

²⁹ State Budget 2019-20, SDS, DPC, p 56.

- collaborating with the sector to implement the revised Leadership Competencies for Queensland capability framework and the LEAD4QLD assessment and development program, and
- developing the Aboriginal and Torres Strait Islander career pathways project to address the under-representation of Aboriginal and Torres Strait Islander employees in leadership positions.³⁰

3.3.2 Key issues raised during consideration of the budget estimates

Issues raised and considered by the committee in relation to the estimates for the PSC for 2019-20 included:

- the PSC's role in implementing the sector-wide workplace reform package for domestic and family violence, including the use of leave by domestic violence offenders
- expenditure on PSC leadership development offerings
- the PSC's management of complex conduct and performance matters, including the number of matters reported
- the number of senior executive service and equivalent officers employed across the public service
- the date of release of Working for Queensland survey results, and
- public service workforce data.

3.4 Queensland Audit Office

The QAO is the independent auditor of the Queensland public sector. The QAO conducts financial and performance audits to provide public confidence in the reliability of public sector entity financial statements and operating performance.³¹

The objectives of the QAO are:

- to support and challenge its people to best serve Parliament and its clients
- to ensure those whom the QAO serves trust and value its services and insights, and
- that the QAO's financial and performance assurance services and insights are used to improve accountability and performance.³²

3.4.1 Budget overview

The QAO's budgeted operating expenditure for 2019-20 is \$45.0 million, an increase of \$2.2 million compared to the 2018-19 estimated actual budget of \$42.8 million.³³ This increase is primarily due to a \$2.5 million increase in budgeted employee expenses for 2019-20 over the 2018-19 estimated actual, resulting from 'higher audit full time equivalents and salary increases under the Enterprise Bargaining arrangements'.³⁴ With respect to the higher full time equivalent staffing requirements, the SDS advises that the QAO has experienced a significant resource gap that has largely been mitigated by staff achieving 'higher utilisation than planned'. However, as this strategy 'is not sustainable ... a rolling

³⁰ State Budget 2019-20, SDS, DPC, p 56.

³¹ State Budget 2019-20, SDS, DPC, p 59.

³² State Budget 2019-20, SDS, DPC, p 59.

³³ State Budget 2019-20, SDS, DPC, p 62.

³⁴ State Budget 2019-20, SDS, DPC, p 62.

recruitment strategy has been put in place to achieve the planned establishment' required to enable the Auditor-General to meet legislative requirements under the *Auditor-General Act 2009*.³⁵

The majority of the QAO's expenditure will be funded by income derived from user charges and fees, which at an estimated \$38.5 million in 2019-20, will make up around 84 per cent of the QAO's estimated total income of \$45.7 million for the year. Appropriation revenue, which for 2019-20 will total \$6.9 million, will make up approximately 15 per cent of the QAO's total income for the year (with a further amount coming from grants and other contributions).³⁶

The following table compares the appropriations for the QAO for 2018-19 and 2019-20:

Appropriations	Budget 2018-19 \$'000	Est. Actual 2018-19 \$'000	Vote 2019-20 \$'000
<i>Controlled Items</i>			
departmental services	6,835	6,835	6,922
equity adjustment	..	..	..
<i>Administered Items</i>	..	..	..
Vote	6,835	6,835	6,922

Source: Appropriation Bill 2019, Schedule 2, p 14.

In 2019-20, the QAO plans to:

- support its workforce to meet Parliament's and its clients' service needs
- enhance relationships with Parliament and public sector entities
- adapt its assurance services to provide greater value
- increase reporting on the extent of audit recommendations implemented, based on updates provided by public sector entities
- review how findings and insights are communicated with Parliament, clients and wider stakeholders
- work with clients to ensure they apply changes to accounting standards correctly and report appropriately, and
- holistically review the audit process, including updated methodologies, toolsets, resource management, and a move to activity-based working and technology.³⁷

³⁵ State Budget 2019-20, SDS, DPC, p 62.

³⁶ State Budget 2019-20, SDS, DPC, p 63.

³⁷ State Budget 2019-20, SDS, DPC, p 60.

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

The Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships has responsibility for the following agencies, services and statutory entities:

- Queensland Treasury (QT)³⁸
- Cross River Rail Delivery Authority (CRRDA),³⁹
- Motor Accident Insurance Commission (MAIC)/Nominal Defendant
- Queensland Productivity Commission (QPC)
- Department of Aboriginal and Torres Strait Islander Partnerships
- Queensland Competition Authority (QCA), and
- Family Responsibilities Commission (FRC).⁴⁰

4.1 Queensland Treasury

Queensland Treasury's (QT) vision is to grow the Queensland economy and improve the wellbeing of all Queenslanders. Accordingly, QT provides trusted, impartial and influential advice and services to its clients, and partners across government for better outcomes in relation to the economy and state finances, revenue and commercial services.

The QT's activities are coordinated through four main service areas – Economic and Fiscal Coordination, Agency Performance, Commercial Services and Revenue Management.

The Economic and Fiscal Coordination service delivers whole-of-government economic, fiscal, revenue, financial management, accounting, policy and reporting services to the Under Treasurer, Treasurer and Cabinet Budget Review Committee. The service area provides strategic economic and regulatory reform policy advice, economic impact analysis, modelling and data to inform public policy and decision making across the Queensland Government to promote sustainable economic and employment growth. The service area supports the ongoing transition of the state's economy and monitoring, forecasting and measuring the state's economic performance, at a regional and state-wide level, to inform development of the State Budget and whole-of-government economic and social policy development. The service area also coordinates the development of the State Budget and provides the statutory function of the Queensland Government Statistician to deliver statistical, demographic research and program evaluation services across government.⁴¹

The Agency Performance service area provides public policy analysis and advice to line agencies, Under Treasurer, Treasurer and Cabinet Budget Review Committee to support government priorities. The

³⁸ Queensland Treasury (QT) monitors the performance of all government-owned corporations (GOCs) on behalf of the Treasurer. These GOCs include energy generators CS Energy Ltd and Stanwell Corporation Ltd; renewable energy generator CleanCo Queensland; energy transmission entity the Queensland Electricity Transmission Corporation Limited (Powerlink Queensland); energy distributor Energy Queensland Limited; ports operators Far North Queensland Ports Corporation Limited (Ports North), Gladstone Ports Corporation Limited, North Queensland Bulk Ports Corporation Limited and Port of Townsville Limited; water body SunWater Limited; and QIC Limited. The CEOs of all of these entities are required to be available for direct questioning at the estimates hearing during which the Treasury portfolio is examined. See: QT, *Government commercial businesses*, website, <https://www.treasury.qld.gov.au/queenslands-economy/government-commercial-businesses/>; Standing Rules and Orders of the Legislative Assembly, Schedule 7.

³⁹ State Budget 2019-20, SDS, QT, pp 1-2.

⁴⁰ State Budget 2019-20, SDS, Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP), p 1.

⁴¹ State Budget 2019-20, SDS, QT, p 11.

service area manages public policy, fiscal and economic issues across the public sector, intergovernmental fiscal relations issues and whole-of-government banking and payment services contracts. The service area also partners with line agencies to optimise performance, balancing service delivery within budget parameters.⁴²

The Commercial Services service area provides financial and commercial advice to government on major public infrastructure and service projects, privately financed major public infrastructure and service projects and commercial and policy advice on private sector investment in Queensland. The service area manages the state's engagement in the Australian Government's Northern Australia Development agenda and the state's project assessment framework. The service area also assesses government-owned corporations' (GOCs) capital investments, implements the Financial Provisioning Scheme in partnership with the departments of Environment and Science, and Natural Resources, Mines and Energy; and the mineral and energy resources sector. The service area leads the state's negotiations with the Australian and local governments on City Deals and Regional Deals.⁴³

The Revenue Management service area administers revenue collection and penalty debt management. The service area administers a revenue base of around \$17 billion by delivering and administering revenue management services for state taxes and royalty revenue. Additional responsibilities include revenue compliance, grant schemes and debt recovery and enforcement activities for Queensland.⁴⁴

4.1.1 Budget overview

Total expenses are estimated to be \$274 million in 2019-20, an increase of \$9.1 million from 2018-19 mainly due to expanded compliance activities by the Office of State Revenue and additional expenditure associated with the establishment of the Service Priority Review Office.⁴⁵

QT is responsible for overseeing significant administered revenue and expenses. The department receives a large proportion of the state's taxation, royalties and Australian Government revenue which is used to fund government priorities. QT administers major grant programs and provides funding to a number of statutory bodies, including the QPC, the QCA and the CRRDA.⁴⁶

QT also administers the government's cash balances and financing requirements, in collaboration with the Queensland Treasury Corporation.

The following table taken from the Appropriation Bill 2019 compares the appropriations for the department for 2018-19 and 2019-20.

Appropriations	Budget 2018-19 \$'000	Est. Actual 2018-19 \$'000	Vote 2019-20 \$'000
<i>Controlled Items</i>			
departmental services	245,941	222,692	255,353
equity adjustment	22,871	50,584	15,900
<i>Administered Items</i>	6,724,751	6,488,765	6,423,073
Vote	6,993,563	6,762,041	6,694,326

Source: Appropriation Bill 2019, Schedule 2, p 16.

⁴² State Budget 2019-20, SDS, QT, p 7.

⁴³ State Budget 2019-20, SDS, QT, p 9.

⁴⁴ State Budget 2019-20, SDS, QT, p 12.

⁴⁵ State Budget 2019-20, SDS, QT, p 18.

⁴⁶ State Budget 2019-20, SDS, QT, p 15.

Capital works program

QT's capital purchases for 2019-20 are \$561,000. Total capital grants for the department are \$109.8 million.⁴⁷

Capital works highlights for 2019-20 include:

- \$561,000 to complete the Office of State Revenue Transformation Program for the delivery of an upgraded ICT platform, and
- \$109.8 million through the Queensland First Home Owners' Grant to assist first home buyers to enter the housing market.⁴⁸

4.1.2 Key issues raised during consideration of the budget estimates

Issues raised by the committee in relation to the QT included:

- employment policies for regional Queensland
- scheme arrangements with the Commonwealth in regard to the roll-out of the National Disability Insurance Scheme
- goods and services tax (GST) revenue, and revenue from the absentee surcharge and land tax
- public sector workforce and the establishment of the Service Priority Review Office
- borrowings-to-revenue ratio over time and compared to other jurisdictions
- global and domestic economic conditions
- implementation of the Townsville City Deal
- payroll tax measures to support small and medium-sized businesses
- government assistance for the establishment of CleanCo
- expenditure and budget allocation in respect of the CRRDA
- the cost of the State Penalties Enforcement Registry (SPER) ICT project
- programs to support new and emerging industries
- procedural matters relating to the purchase, and subsequent declaration, of a property by the Deputy Premier near the site of a proposed station that is part of the Cross River Rail Project
- government support of new and emerging technologies
- Queensland's unemployment rate
- the state's credit rating and debt levels
- funding capital works to support jobs in the private sector
- coal royalty arrangements with mining companies
- motor vehicle registration revenue
- expenditure on external consultants to prepare the Queensland Budget
- income generation from public assets
- procedural matters in respect to board appointments to (GOCs)

⁴⁷ Queensland Budget 2019-20, Budget Measures, Capital Statement 2019-20, p 103.

⁴⁸ Queensland Budget 2019-20, Budget Measures, Capital Statement 2019-20, p 103.

- SPER debt levels and debt finalisation rates, and
- arrangements in respect of the waste disposal levy.

4.2 Motor Accident Insurance Commission/Nominal Defendant

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

The MAIC regulates Queensland's Compulsory Third Party (CTP) insurance scheme, and manages the Motor Accident Insurance and Nominal Defendant funds. The Nominal Defendant compensates people injured because of the negligent driving of unidentified motor vehicles, motor vehicles with no CTP insurance, and acts as an insurer of last resort, by meeting the claim costs of any licensed insurer who may become insolvent.⁴⁹

The MAIC and the Nominal Defendant's objectives for 2019-20 are to:

- be responsive by investing in targeted research and service delivery initiatives to improve health outcomes for people injured in motor vehicle accidents, and
- create jobs in a strong economy by investing in local research and innovation bodies.⁵⁰

4.2.1 Budget overview

The MAIC's budgeted operating expenditure for 2019-20 is \$40.7 million, an increase of \$5.9 million from the 2018-19 estimated actual. The SDS indicates MAIC has forecast an operating deficit of \$17.9 million in 2019-20.⁵¹

The Nominal Defendant's operating budget for 2019-20 is \$43.7 million, an increase of \$1.5 million from 2018-19 estimated actual expenditure. The SDS indicates the Nominal Defendant has a forecast operating surplus of \$14.8 million in 2019-20.⁵²

Key priorities for the MAIC and Nominal Defendant in 2019-20 include:

- continuing to investigate the regulatory impacts of introducing automated (driverless) vehicles into Australia
- increasing collaboration with key stakeholders on road safety initiatives, and
- exploring opportunities for MAIC and the CTP scheme to manage future innovation.

4.3 Cross River Rail Delivery Authority

The CRRDA is a statutory body established under the *Cross River Rail Delivery Authority Act 2016*. The CRRDA is the statutory body responsible for leading the procurement, development and delivery of the Cross River Rail project. The Cross River Rail project is a 10.2 kilometre rail line between Dutton Park and Bowen Hills, and includes a 5.9 kilometre tunnel under the Brisbane River and Brisbane central business district.⁵³

The CRRDA's key objectives in 2019-20 are to:

- deliver and facilitate transformational transport infrastructure development
- optimise economic and social development opportunities, and

⁴⁹ State Budget 2019-20, SDS, QT, p 27.

⁵⁰ State Budget 2019-20, SDS, QT, p 27.

⁵¹ State Budget 2019-20, SDS, QT, p 29.

⁵² State Budget 2019-20, SDS, QT, p 14.

⁵³ State Budget 2019-20, SDS, QT, p 39.

- operate commercially while maintaining strong relationships across industry sectors and government agencies.⁵⁴

4.3.1 Budget overview

The CRRDA's operating budget for 2019-20 is \$200.9 million, an increase from the 2018-19 estimated actual of \$59.5 million.⁵⁵

Key deliverables for CRRDA in 2019-20 include:

- executing contracts for major works packages
- finalising the Environmental Impact Statement change process, and obtaining Coordinator-General approvals and conditions for delivery of works
- commencing major permanent works
- commencing demolition works at the Albert Street and Roma Street sites
- finalising precinct development plans for the Boggo Road, Woolloongabba, Albert Street, Roma Street and Exhibition Station precincts
- finalising the Early Works program, and
- continuing property acquisition processes in relation to the project corridor.⁵⁶

Capital works program

In 2019-20, the CRRDA has budgeted capital acquisitions of \$1.480 billion, which will be made through a combination of state and private finance contributions, and capital grants of \$49.7 million. During 2019-20 the CRRDA will finalise contract award and progress delivery and development associated with the Cross River Rail project.⁵⁷

4.4 Queensland Productivity Commission

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

The QPC's strategic objectives for 2019-20 are to:

- base findings and recommendations on its own analysis and judgement
- provide high quality advice based on robust evidence-based analysis that is timely and useful to stakeholders
- engage effectively and openly with key stakeholders and interested parties, and
- attract and retain capable and committed people to deliver high quality work.⁵⁸

⁵⁴ State Budget 2019-20, SDS, QT, p 39.

⁵⁵ State Budget 2019-20, SDS, QT, p 45. The SDS indicates the increase in revenue, grants and other contributions in 2019-20 from 2018-19 is due to the inclusion of the reimbursement of costs by other agencies associated with European Train Control System Inner City Project, and a grant receivable from QT in relation to interest accrued on private financing and capital grant funding in relation to returned works to third parties.

⁵⁶ State Budget 2019-20, SDS, QT, p 39.

⁵⁷ Queensland Budget 2019-20, Budget Measures, Capital Statement 2019-20, p 103.

⁵⁸ State Budget 2019-20, SDS, QT, p 37.

Key deliverables for the QPC in 2019-20 include:

- completing the public inquiry into imprisonment and recidivism in Queensland, delivering a final report to the government in August 2019
- completing a review of the pricing impacts from the Container Refund Scheme over its first 12 months of operation, delivering a final report to the government in February 2020
- continuing to provide advice, guidance and assessment of regulatory proposals to ensure impacts are carefully and fully assessed
- examining economic, social and environmental issues through self-initiated research, and
- conducting investigations into competitive neutrality issues and complaints about State and local government business activities, and providing advice to government on regulatory and competitive neutrality issues.⁵⁹

4.5 Department of Aboriginal and Torres Strait Islander Partnerships

The Department of Aboriginal and Torres Strait Islander Partnerships' (DATSIP) vision is for Aboriginal and Torres Strait Islander Queenslanders to thrive culturally, socially and economically. DATSIP's purpose is to lead change through enhanced relationships and improved decision-making across government, to enable Aboriginal and Torres Strait Islander Queenslanders to truly thrive.⁶⁰

DATSIP contains two service areas – Economic Participation and Community Participation. The Economic Participation service area aims to increase the economic participation of Aboriginal peoples and Torres Strait Islander peoples in the Queensland economy by delivering policies, programs and services that result in Aboriginal peoples and Torres Strait Islander peoples entering and actively participating in the workforce. The service area also aims to create more opportunities for Aboriginal peoples and Torres Strait Islander peoples to secure businesses, to own land and to own their homes.⁶¹ The Community Participation service area aims to improve the community participation of Aboriginal peoples and Torres Strait Islander peoples by delivering policies and programs that result in greater social cohesion, connected communities, and communities that protect and value Aboriginal and Torres Strait Islander cultures and heritage.⁶²

DATSIP also administers funds on behalf of the state including payments to the FRC as part of the Welfare Reform Program and for royalty payments to the Western Cape Community Trust.⁶³

The FRC is jointly funded by the state and Australian governments. Payments to the FRC are for operating costs for the FRC to support welfare reform community members to restore socially-responsible standards of behaviour, local authority and wellbeing.⁶⁴

The objective of the Western Cape Community Trust is to promote and benefit the general welfare of the communities described in the Western Cape Communities Co-Existence Agreement, including the Aboriginal communities and Traditional Owners of Western Cape York Peninsula.⁶⁵

⁵⁹ State Budget 2019-20, SDS, QT, p 15.

⁶⁰ State Budget 2019-20, SDS, DATSIP, p 2.

⁶¹ State Budget 2019-20, SDS, DATSIP, p 3.

⁶² State Budget 2019-20, SDS, DATSIP, p 6.

⁶³ State Budget 2019-20, SDS, DATSIP, p 10.

⁶⁴ State Budget 2019-20, SDS, DATSIP, p 10.

⁶⁵ State Budget 2019-20, SDS, DATSIP, p 10.

4.5.1 Budget overview

DATSIP's primary source of income is appropriation revenue. The operating budget for 2019-20 is estimated to be \$83.0 million in expenses, a decrease of \$0.1 million from the 2018-19 estimated actual.

The 2019-20 budget reflects funding for a range of initiatives including the:

- implementation of an Indigenous youth mental health and wellbeing program, increased funding for services to reduce alcohol-related harm, and increased funding to support High Risk Teams address domestic and family violence
- delivery of the Palm Island and Thursday Island splash parks, and funding for initiatives to increase self-determination, and
- decision-making and improved life outcomes for Aboriginal and Torres Strait Islander Queenslanders through codesigned local, regional and state-wide initiatives.

It is proposed that DATSIP will receive appropriation revenue of \$81.1 million in 2019-20, with the remainder of its operating expenses funded from grants and other contributions as well as other revenue.⁶⁶

The DATSIP also administers funds on behalf of the state and will provide administered funding of \$10.1 million in 2019-20.⁶⁷

The following table compares the appropriations for DATSIP for 2018-19 and 2019-20.

Appropriations	Budget 2018-19 \$'000	Est. Actual 2018-19 \$'000	Vote 2019-20 \$'000
<i>Controlled Items</i>			
departmental services	81,668	69,972	81,114
equity adjustment	6,000	6,000	
<i>Administered Items</i>	12,518	10,213	10,105
Vote	100,186	86,185	91,219

Source: Appropriation Bill 2019, Schedule 2, p 7.

Capital works program

For 2019-20, DATSIP has planned a capital works outlay of \$7.1 million. Capital works program highlights for 2019-20 include:

- \$400,000 to advance land and infrastructure works in Aboriginal and Torres Strait Islander discrete communities
- \$365,000 to complete the Kickstart Mossman Gorge infrastructure initiative
- \$600,000 to provide accommodation at the Three Rivers Community Centre redevelopment
- \$337,000 to provide accommodation to support the Wathaniin on-country training initiative
- \$120,000 to complete splash parks in the Cape York communities of Pormpuraaw, Napranum and Mapoon
- \$320,000 to complete the Kowanyama Men's Shed and the Women's Meeting Place, and

⁶⁶ State Budget 2019-20, SDS, DATSIP, p 13.

⁶⁷ State Budget 2019-20, SDS, DATSIP, p 16.

- \$5 million to construct new splash park facilities on Palm Island and Thursday Island.⁶⁸

4.5.2 Key issues raised during consideration of the budget estimates

Issues raised by the committee in relation to DATSIP included:

- government contracts to Indigenous businesses
- development of new laws to recognise Torres Strait Islander traditional child-rearing practices
- updates on the Local Thriving Communities initiative and the FRC
- government response to the QPC's report on service delivery in remote and discrete Indigenous communities
- planned initiatives to engage Aboriginal and Torres Strait Islander peoples in training, employment and business ownership as part of the Moving Ahead program
- measures to achieve self-determination and economic participation
- measures to achieve Closing the Gap targets, and Queensland's Closing the Gap report card
- government actions in response to Indigenous youth suicide
- funding for schools through the Former Origin Greats Achieving Results Through Indigenous Education program
- government measures to reduce alcohol-related harm in Indigenous communities
- DATSIP employee expenses
- the cessation of the National Partnership on Remote Housing program and its impact on the Queensland Budget
- the Youth Employment Program, and
- the Aboriginal and Torres Strait Islander Cultural Capability Framework.

⁶⁸ Queensland Budget 2019-20, Budget Measures, Capital Statement 2019-20, p 22.

5 Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs

The Minister for Local Government, Minister for Racing and Minister for Multicultural Affairs has responsibility for the following agencies, services and statutory entities:

- Department of Local Government, Racing and Multicultural Affairs
- Office of the Independent Assessor (OIA), and
- Queensland Racing Integrity Commission (QRIC).⁶⁹

5.1 Department of Local Government, Racing and Multicultural Affairs

The Department of Local Government, Racing and Multicultural Affairs' (DLGRMA) primary purpose is to lead, engage and collaborate to design and administer frameworks that inspire confidence and trust in systems of governance, increase stakeholder capability and encourage and support communities to thrive.⁷⁰

The DLGRMA's objectives include achieving:

- accountable, well-managed community-focused local governments
- a sustainable racing industry in Queensland
- policies, programs and services responsive to Queensland's cultural diversity
- efficient and effective funding programs promoting vibrant communities, and
- an agile, capable, collaborative and inclusive workforce.

The DLGRMA contains three service areas – Local Government, Racing and Multicultural Affairs Queensland. The Local Government service area provides administration of both the local government system and local government funding programs. The Racing service area administers the *Racing Act 2002* and manages programs that support the racing industry in Queensland. The Multicultural Affairs Queensland service area promotes Queensland as a unified, harmonious and inclusive community.⁷¹

5.1.1 Budget overview

The DLGRMA's operating budget is estimated to be \$284.3 million in 2019-20, a decrease of \$131.8 million from the 2018-19 financial year. The decrease is primarily due to the advance payment of the 2019-21 Works for Queensland program in May 2019 which is partially offset by additional funding for the:

- Torres Strait Islands' seawalls and coastal inundation mitigation upgrades, and
- Paroo Shire Council upgrades to critical sewerage infrastructure.⁷²

The forecast deficit for the department in 2019-20 is \$12.3 million. This is primarily due to the planned transfer of the Cherbourg wastewater infrastructure asset to the Cherbourg Aboriginal Shire Council for nil consideration.⁷³

⁶⁹ State Budget 2019-20, SDS, Department of Local Government, Racing and Multicultural Affairs (DLGRMA), p 1.

⁷⁰ State Budget 2019-20, SDS, DLGRMA, p 2.

⁷¹ State Budget 2019-20, SDS, DLGRMA, pp 3, 5, 7.

⁷² State Budget 2019-20, SDS, DLGRMA, p 14.

⁷³ State Budget 2019-20, SDS, DLGRMA, p 14.

It is proposed that the DLGRMA will receive appropriation revenue of \$271.5 million in 2019-20 for controlled items, with the remainder of its operating expenses funded from user charges and fees, interest, and other revenue.⁷⁴

The following table compares the appropriations for DLGRMA for 2018-19 and 2019-20.

Appropriations	Budget 2018-19 \$'000	Est. Actual 2018-19 \$'000	Vote 2019-20 \$'000
<i>Controlled Items</i>			
departmental services	422,299	380,431	271,774
equity adjustment	2,351	(61)	1,765
<i>Administered Items</i>	242,144	543,582	326,714
Vote	666,794	923,952	600,253

Source: Appropriation Bill 2019, Schedule 2, p 10.

Capital works program

The capital works program for DLGRMA for 2019-20 is made up of \$2.8 million for property, plant and equipment and \$159.5 million in capital grants. Capital works program highlights for 2019-20 include:

- \$50 million as part of the \$600 million Works for Queensland program to support local governments in regional Queensland undertake job-creating maintenance and minor infrastructure works
- \$29.4 million for the Local Government Grants and Subsidies Program which provides funding for priority infrastructure projects to meet identified community needs and to support projects that will enhance sustainable and liveable communities
- \$28.8 million as part of the \$120 million Indigenous Councils Critical Infrastructure Program to support Indigenous councils to implement projects and infrastructure works relating to critical water, wastewater and solid waste assets, and provide a basis for the long-term strategic management of essential assets
- \$15 million as part of \$20 million in total funding to continue coastal inundation mitigation works on five outer Torres Strait Islands, which will protect infrastructure and communities on these islands from rising sea levels and the impacts of coastal inundation
- \$12.4 million under the Racing Infrastructure Fund to assist the Queensland racing industry improve racing infrastructure across the State, and
- \$7 million as part of \$9.1 million in total funding for the Paroo Shire Council to continue upgrades to critical sewerage infrastructure.⁷⁵

5.1.2 Key issues raised during consideration of the budget estimates

Issues that were raised and considered by the committee in relation to the estimates for the DLGRMA for 2019-20 included:

- the Indigenous Councils Critical Infrastructure Program
- complaints received by, and resourcing for, the OIA
- prosecutions of local councillors

⁷⁴ State Budget 2019-20, SDS, DLGRMA, p 15.

⁷⁵ Queensland Budget 2019-20, Budget Measures, Capital Statement 2019-20, p 62.

- implementation of the recommendations from the Crime and Corruption Commission’s report on Operation Belcarra, and associated costs
- waste metal build-up, including vehicles, from islands in the Torres Strait
- funding programs for regional councils
- the Greyhound Adoption Program and the future that it provides for retired racing animals
- activities of the Multicultural Advisory Council
- the Celebrating Multicultural Queensland grants program
- projects funded by the Racing Infrastructure Fund
- declarations of interest in relation to councillors in Queensland
- employment programs generated by the Works for Queensland program
- council applications for financial borrowing
- funding for delivery of essential services and infrastructure
- mandatory training for candidates for mayors and councillors
- financial sustainability of local councils
- interim administration of the Ipswich City Council
- implementation of the *Multicultural Action Plan 2016-17 to 2018-19*
- promotion of cultural and linguistic diversity in Queensland
- support for refugees and asylum seekers in Queensland
- infrastructure plans for Racing Queensland and the Racing Infrastructure Fund
- infrastructure support for country clubs
- increased prize money for thoroughbred racing, and
- plans for night racing on the Gold Coast and replacement racing venues.

5.2 Queensland Racing Integrity Commission

The QRIC is an independent statutory body, which oversees the integrity and welfare standards of racing animals and participants in Queensland. The QRIC’s strategic objectives include:

- safeguarding the welfare of animals involved in racing
- administering the rules of racing independently, impartially, consistently and with integrity
- exercising best practice skills and processes to detect, investigate, and prosecute compliance and integrity breaches, and
- enhancing public confidence in the integrity of Queensland’s racing industry.⁷⁶

5.2.1 Budget overview

The QRIC’s operating budget for 2019-20 is \$30.3 million, an increase of \$1.1 million from the 2018-19 estimated actual.⁷⁷

⁷⁶ State Budget 2019-20, SDS, Department of Agriculture and Fisheries, p 41.

⁷⁷ State Budget 2019-20, SDS, Department of Agriculture and Fisheries, p 44.

Capital works program

Capital works planned for the QRIC in 2019-20 are \$3.3 million, including \$1.6 million for system upgrades and \$1.7 million for upgrades to laboratory and other equipment necessary to support other core services.⁷⁸

5.2.2 Key issues raised during consideration of the budget estimates

Issues that were raised and considered by the committee in relation to the estimates for the QRIC for 2019-20 included:

- the relationship between Racing Queensland and the QRIC
- review of aspects of the *Racing Integrity Act 2016*, and
- activities, functions and initiatives of the QRIC.

⁷⁸ Queensland Budget 2019-20, Budget Measures, Capital Statement 2019-20, p 24.

Statement of reservation

NON-GOVERNMENT STATEMENT OF RESERVATION

The Non-Government Members of the Economic and Governance Committee wish to make the following Statement of Reservations and concerns regarding the 2019-20 Budget Estimates Appropriation Bill 2019.

Opening

The Palaszczuk Labor Government's 2019/20 budget was a bad budget for Queensland.

It was a budget of higher taxes, more debt, less jobs and less infrastructure.

Queenslanders can't afford Labor.

When Labor runs out of money, they come after yours.

The budget showed that Labor is actually cutting infrastructure spending at a time when we now have the worst unemployment on mainland Australia.

Annastacia Palaszczuk isn't borrowing to build, Labor are borrowing to cover their wasteful spending.

It was also a budget of new taxes – not announced at the last state election in another major breach of the trust to the people of Queensland.

It was a budget that introduced new taxes ripping another \$1.25 billion from the state's economy, plunged Queensland into than \$90 billion in debt and revealed almost 26000 less jobs than forecast.

This is \$1.25 billion in new taxes on top of the taxes Labor has already inflicted on Queensland since being re-elected.

A total of \$3.5 billion in taxes so far and Annastacia Palaszczuk hasn't ruled out more taxes and tax hikes into the future.

The 2019 estimates hearings were dominated by the Palaszczuk Labor Government's ongoing integrity crisis. In the 30th year since the Fitzgerald Inquiry report was published, these latest scandals provide significant questions about the government's openness, transparency, accountability and integrity that have engulfed the leadership of this government.

Premier and Minister for Trade

It was disappointing the Premier initially claimed she was unaware of a \$267,500 taxpayer funded grant to a company which her Chief of Staff is a Director and major shareholder. It raises serious doubts about how actively this conflict of interest is being managed given the decision maker and administering body for the grant is a Government owned Corporation under the control of the Premier. The Premier refused to table the pecuniary interest register of her Chief of Staff.

It is was clear from the Premier's answers to questions about compliance with the Ministerial Code of Conduct, that integrity is not a priority for the Palaszczuk Government. Under Annastacia Palaszczuk Ministers are not required to have face to face annual meetings with the Integrity Commissioner and the Premier herself delegates her interactions with the Integrity Commissioner to her Director-General.

The Premier refused to advise whether she will deliver on her public commitments to secure IndyCars for the Gold Coast for March 2020. A failure to deliver on this commitment raises serious doubts about the ability of the Palaszczuk Government to successfully bid on the Olympic Games.

The Committee heard the Premier's office has been sitting on the Working for Queensland workforce survey since 21 May. The annual survey of the public service was undertaken in September 2018 but the Premier refused to accept responsibility for the delay or nominate a date when the survey would be released.

Trade and Investment Queensland (TIQ) provided a more realistic and positive outlook for demand for Queensland's thermal coal than the Deputy Premier's statement that markets are moving away from coal and that coal communities should re-skill. However, taxpayers have been slugged \$187,000 as part of a deed of settlement with the former TIQ CEO. The current Acting TIQ CEO was unable to advise why

this payment made or confirm whether the former CEO had complained about bullying. In addition to over \$400,000 on hospitality expenses a massive increase of 43% on the previous year, taxpayers were also slugged over \$5 million for contractors and consultants. This level of expenditure without justification is yet another example of the Palaszczuk Government having the wrong priorities.

Treasurer

As part of the ongoing integrity crisis surrounding the Deputy Premier, it was revealed that the Deputy Premier contacted the Chairperson of the Crime Corruption Commission (Mr Alan MacSporran QC) on the prior Sunday, despite knowing that the matter relating to whether she had personally financially gained from inside knowledge about the value uplift of properties around the Cross River Rail project, was already before the Crime and Corruption Commission under active assessment. We maintain that this was highly inappropriate and compromised the independence of Queensland's corruption fighting watchdog – something highlighted later in the week when Mr MacSporran recused himself from any consideration of the matter involving the Deputy Premier.

The property in question – in Woolloongabba, is just hundreds of metres from a proposed new station at Boggo Road. The Cross River Rail Delivery Authority was asked whether the Boggo Road station would be part of any rezoning through a priority development area – similar to the Albert Street station project, but that decision has not been made yet – according to the CEO of the Cross River Rail Delivery Authority.

Questions were asked as to whether any alternate stations to Boggo Road weren't considered as part of the procurement process, concerns that have been raised in various media stories, however no confirmation was forthcoming due to commercial-in-confidence.

It is hard to fathom how that can be the case, given that the procurement process has been finalised and decisions made about successful tenderers.

It was confirmed that the decision was made about the Boggo Road station on 3 April at the Cabinet Budget Review Committee (CBRC) meeting – just days after the Deputy Premier gained a financial interest in a property in Woolloongabba. The contract for that property was signed on 27 April 2019 according to publicly available real estate information.

Published ministerial diaries show that the Deputy Premier received a briefing about Cross River Rail from the Delivery Authority on 26 March 2019.

The Deputy Premier was asked why she didn't seek advice from the Integrity Commissioner prior to the purchase of the Woolloongabba property.

The Deputy Premier was asked whether she declared a conflict of interest and absented from the 3 April 2019 CBRC meeting. That was not disclosed.

The Deputy Premier was asked to table the interim advice that she received from the Integrity Commissioner on 19 July 2019. That was not provided to the Committee.

The Deputy Premier was asked whether she received further advice from the Integrity Commissioner and would she table it. That was not answered because of the Crime and Corruption Commission assessment, despite advice from the Clerk earlier that day:

Mr BLEIJIE: Thank you and good morning, Mr Speaker and Mr Clerk. Mr Clerk, with respect to standing order 233, sub judice, can you advise the committee whether the Crime and Corruption Commission assessing a complaint or indeed investigating a complaint would prevent the Premier or ministers from answering questions during these proceedings today?

Mr Laurie: No. Standing order 233 only applies to criminal proceedings once they have been commenced and until such time as a verdict is given.

Mr BLEIJIE: We have had situations before where the Premier or ministers have said that a matter being asked about was currently before the CCC, which was either assessing or investigating a complaint. They said that they were not able to speak about the matter. If I am right in what you have just said, Mr Clerk, standing order 233 would not prevent the Premier or ministers from answering such questions if the CCC is investigating or assessing a matter?

Mr Laurie: Standing order 233 deals with the application of sub judice to the House and committees. That would not be applicable unless there were criminal proceedings pending. At the end of the day, questions can be put to members about issues that might be before a body like the CCC. How those ministers respond to those questions if there is a referral is a matter for them, but they are not prevented from answering by standing order 233.

The Palaszczuk Labor Government have established a new Service Priority Review Office to make savings of \$1.7 billion over the next four years – however the details of what programs will spending commitments will be scrapped or reduced to achieve that goal. The only example the Under Treasurer could give was travel.

We are extremely disappointed that the Palaszczuk Labor Government has continued to hike motor vehicle registration costs by 17.3% since their election in 2015. At the last state election, Labor promised to reign in their 3.5% hikes to be in-line with inflation. However, that is only a forecasted amount which is 2.25% - not actual inflation which was 1.7% last year according to the Under Treasurer.

It was confirmed that Queenslanders paid \$23.8 million for a SPER ICT project that never eventuated and had to be scrapped. This is just another example of Labor's wasteful spending.

Page 153 of Budget Paper 4 (Budget Measures) reveals that the definition of absentee for the Land tax foreign surcharge has been amended since last year's budget and no longer includes Australian citizens and permanent residents. Last year, those people paid \$17 million of taxes because of this tax definition bungle, that won't be refunded.

Despite the Government previous reassurances, the new waste disposal levy will be passed on to householders – who will pay the price of Labor's biggest new tax.

Aboriginal and Torres Strait Islander Partnerships

The LNP is concerned with the lack of progress on Closing the Gap in Queensland. Queensland is at the bottom of the national league table, when compared with other state jurisdictions on Closing the Gap. The Palaszczuk Labor Government should stop blaming the Commonwealth and accept that what Labor is doing here in Queensland on Closing the Gap is not good enough.

In relation to the termination payments for the former Director General (DG) and Deputy Director General (DDG) Tammy Williams and Helena Wright respectively, the Director General referred the LNP to the Department of Aboriginal and Torres Strait Islander Partnership's 2018-19 annual report, which will be belatedly released in September 2019. Further, the Director General failed to provide any concrete reasons why the contracts of the former DG and DDG were terminated, rather he said that it is not unusual for there to be such leadership changes.

Furthermore, the Palaszczuk Labor Government did not feel the need to consult key people and seemingly the whole Family Responsibilities Commission about the Government's intended abandonment of this successful welfare reform initiative. The Labor Government's intended change to implement the so-called Thriving Communities reform agenda has been poorly communicated with a lack of adequate consultation with key stakeholders and a flawed recruitment process to-date, in relation to the selection and announcement of a new Commissioner.

Local Government

It was a concern that the pecuniary interest standards which Members of Parliament are required to meet are much lower than for Mayors and Councillors.

Following up on the integrity issues identified earlier in the Hearing, questions were raised about the declaration process applying to a Mayor or Councillor who owns a property whilst engaged in council decision-making that would directly benefit the value of that property. A further question was raised about the prescribed penalties or sanctions for a Mayor or Councillor who fails to declare their interest in such a property.

In responding, the Minister indicated that in terms of register of interest offences, under the current Local Government Act 2009 the maximum penalty for failing to update the register of interests within 30 days is 85 penalty units. If the offence is committed with intent, the maximum penalty is 100 penalty units. The offence is then defined as an integrity offence, which means that if convicted of the offence, the councillor automatically stops being a councillor and cannot be a councillor for four years.

It was also of concern to learn that the current workload for the Office of the Independent Assessor (OIA) was considerably higher than had been estimated, where 160 complaints for investigation had been forecast for the year yet the number over the first six months of operation was 824. Furthermore, the current staffing resource for the office is 10 FTE while the budget documents indicate the 18/19 Estimated Actual staffing is 16 FTE.

Although the Palaszczuk Labor Government has touted its commitment to openness and transparency in local government, this does not seem to be matched by resourcing. As a result, there is a grave concern that there will be a raft of unresolved complaints against sitting Mayors and Councillors in the lead up to the March 2020 election. Clearly the State Government is seeking to politically disadvantage these individuals.

It was noted that while there have been three rounds of the Works for Queensland Program under the Labor Government. However, the Councils of Scenic Rim, Toowoomba, Lockyer, Somerset and Noosa have been excluded from this program, as have the unemployed in these areas. There are currently 22 Councils who have a lower unemployment rate than these excluded councils. It seems they have been actively excluded from the program on the basis of politics rather than on the basis of delivering jobs.

In relation to addressing the looming water and sewerage infrastructure cliff by broadening eligibility for projects under the Local Government Grants and Subsidies Program, it was of concern that at this point, the Labor Government has simply opted for a conversation about the issue.

Racing and Multicultural Affairs

As part of Labor's failure to adequately support the racing industry, it was revealed the Palaszczuk Labor Government would not meet its own racing Key Performance Indicators by 2020.

This failure has impacted vital infrastructure projects such as night racing on the Gold Coast and new or replacement greyhound and harness racing tracks. Alarming, it was revealed by the Racing Queensland CEO, Brendan Parnell that a business case for the night racing on the Gold Coast has not even been finalised.

It was confirmed that the relocation expenses incurred by Racing Queensland for abandoning plans to move offices from Deagon totalled over \$51,000.

There was also the matter of concerns from regional race clubs that their meetings are being compromised by having fewer stewards and some with less experience, which is affecting TAB turnover was raised.

Racing Integrity Commissioner Mr Ross Barnett revealed that the average minimum time it takes for a matter to be heard before the Queensland Civil and Administrative Tribunal (QCAT) following an original decision made by stewards is eleven months. This is a significant amount of time for a matter to be heard, given that the Darren Weir matter in Victoria was dealt with within a week. Justice delayed is justice denied.



Ray Stevens
Deputy Chair of Economics and
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State Member for Mermaid Beach



Sam O'Connor
Member for Bonney

Dan Purdie
Member for Ninderry

