Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 01

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

How has Queensland's economic recovery from COVID-19 compared with that of other countries?

ANSWER:

Queensland’s economic recovery has been a standout amongst Australia’s states and territories, and other peer economies internationally.

The latest ABS data available at the time the Budget was published show Queensland’s seasonally adjusted state final demand, a key indicator of domestic activity, fell a record 5.9% in June quarter 2020. This was lower than the 7.4% decline in national domestic spending and the falls of 8.6% in New South Wales and 8.5% in Victoria.

This superior performance appears to have continued in the September quarter based on the latest ABS state final demand data, released on 2 December 2020.

As restrictions have progressively been unwound in Queensland, the latest data show domestic activity rebounded substantially in the September quarter, rising 6.84% to be 0.7% higher over the year, with all major components of state final demand rising in the quarter.

This was the strongest quarterly rise of all states and territories in Australia, and was the largest quarterly rise in Queensland’s state final demand in 17 years.

ABS Labour Force data for October showed Queensland to be the only state in Australia to have fully recovered all the jobs lost through the pandemic.

The latest ABS Labour Force data for October show that seasonally adjusted employment in Queensland has rebounded 205,900 persons since its recent low in May, to be 500 persons above its pre-pandemic level in March 2020.

The strong economic recoveries underway in Queensland and Australia are closely related to the success of the Queensland health response to COVID-19.

This is where Queensland and Australia have significantly outperformed much of the rest of the world.

The health response in Queensland and Australia is in stark contrast to various other countries around the globe, many of which have experienced significant resurgences of the virus as they enter their winter months.

Many European countries, including the United Kingdom, have responded by recently re-imposing full or partial lockdowns that are likely to substantially impact the timing and extent of recovery in these economies.

Australia’s and Queensland’s relative success in controlling the virus compared with many countries has allowed for the substantial easing of health and safety restrictions on individuals and businesses, resulting in a faster return to a more normal level of economic activity.

Australia’s Gross Domestic Product fell a record 7.0% in the June quarter, before rebounding 3.3% in the September quarter.

However, this decline in the June quarter was dwarfed by the falls recorded in various other nations, including a 20% decline in the United Kingdom, a 12% decline across the Euro Zone and Canada, and the 9% decline in the United States.

Queensland’s more rapid recovery is also highlighted in the economic growth forecasts outlined in the 2020-21 State Budget, with Queensland’s GSP forecast to return to growth of ¼% in 2020-21, before strengthening substantially to 3½% in 2021-22.

In comparison, Australian Treasury forecasts national GDP to decline 1½% in 2020-21, while the latest forecasts from New South Wales and Victoria, as outlined in their respective state budgets, show economic activity is expected to fall ¾% and 4% respectively in those states in 2020-21.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 02

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

How has Queensland's recent economic performance throughout the crisis, and how does growth and its forecasts, compare with NSW? (SFD growth, GSP growth)?

ANSWER:

Reflecting the impacts of COVID-19, domestic activity weakened across all states and territories in the June quarter.

The latest ABS data available at the time the Budget was published show Queensland’s seasonally adjusted state final demand, a key indicator of domestic activity, fell a record 5.9% in June quarter 2020, to be 5.2% lower over the year.

However, Queensland’s 5.9% decline was well below the decline in New South Wales (down 8.6%), with Queensland’s relative success in controlling the spread of the virus resulting in domestic economic activity being less impacted and allowing activity to start to recover more quickly.

The unique circumstances of the COVID-19 pandemic and associated measures to contain the spread of the virus mean that the impact on Queensland’s economic activity is expected to be concentrated in the June quarter of 2020.

Substantial income support and stimulus measures across all levels of government, combined with the progressive unwinding of virus restrictions in Queensland, have underpinned a substantial rebound in activity in the September quarter, and suggest a further improvement in the early parts of the December quarter.

In particular, ABS National Accounts data released after the Budget showed Queensland’s state final demand rebounded 6.84% in September quarter 2020, to be 0.7% higher over the year.

Queensland recorded the strongest quarterly rise of the states and territories in the September quarter.

More importantly, Queensland was the only state to record positive growth both over the period from the March quarter 2020 (the pre-COVID level) and over the year to the September quarter.

In comparison, state final demand in New South Wales in the September quarter remained 2.6% below the pre-COVID level in March quarter 2020 and 3.3% lower over the year.

In terms of the outlook going forward, Queensland's GSP is still forecast to return to growth of ¼% in 2020-21, then strengthen substantially to 3½% in 2021-22, with ongoing solid growth of around 2¾% in the later years of the forward estimates.

In comparison, the latest forecasts from New South Wales, as outlined in their State Budget, show economic activity is expected to fall ¾% in 2020-21, before recovering to 2½% growth in 2021-22, 2¼% in 2022-23 and 2¾% in 2023-24.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 03

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

What has been Queensland's recent economic performance throughout the crisis and how does growth and its forecasts compare with Victoria? (SFD growth, GSP growth)

ANSWER:

Reflecting the impacts of COVID-19, domestic activity weakened across all states and territories in the June quarter.

The latest ABS data available at the time the Budget was published show Queensland’s seasonally adjusted state final demand, a key indicator of domestic activity, fell a record 5.9% in June quarter 2020, to be 5.2% lower over the year.

However, Queensland’s 5.9% decline was well below the decline in Victoria (down 8.5%), with Queensland’s relative success in controlling the spread of the virus resulting in domestic economic activity being less impacted and allowing activity to start to recover more quickly.

The unique circumstances of the COVID-19 pandemic and associated measures to contain the spread of the virus mean that the impact on Queensland’s economic activity is expected to be concentrated in the June quarter of 2020.

Substantial income support and stimulus measures across all levels of government, combined with the progressive unwinding of virus restrictions in Queensland, have underpinned a substantial rebound in activity in the September quarter, and suggest a further improvement is likely in the early parts of the December quarter.

In particular, ABS National Accounts data released after the Budget showed Queensland’s state final demand rebounded 6.84% in September quarter 2020, to be 0.7% higher over the year.

Queensland recorded the strongest quarterly rise of the states and territories in the September quarter, while activity declined a further 1.0% in Victoria, reflecting the wide-ranging lockdown in that state as it dealt with a substantial second wave of virus infections.

Queensland was the only state to record positive growth both over the period since March quarter 2020 (the pre-COVID level) and over the year to the September quarter.
In comparison, state final demand in Victoria remained 9.5% below the pre-COVID level in March quarter 2020 and 9.8% lower over the year.

In terms of the outlook going forward, Queensland's GSP is still forecast to return to growth of ¼% in 2020-21, then strengthen substantially to 3½% in 2021-22, with ongoing solid growth of around 2¾% in the later years of the forward estimates.

In comparison, the latest forecasts from Victoria show economic activity is forecast to fall 4% in 2020-21, before recovering to 7¾% growth in 2021-22, 3¼% in 2022-23 and 3% in 2023-24.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 04

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

What is the Queensland Government's borrowing position (both GG and NFPS, and as a share of revenue, and output) and how it compares with that of other jurisdictions?

ANSWER:

Like all other states, Queensland has increased its borrowing over the forward estimates to support economic recovery and jobs.

Between 2019-20 and 2023-24, the Queensland Government estimates it will need to increase General Government (GG) sector borrowing from $44.267 billion to $88.619 billion, with Non-Financial Public Sector (NFPS) borrowing increasing from $84.960 billion to $129.723 billion.

Comparatively, NSW and Victoria are expected to increase borrowing at the NFPS level to $190.841 billion and $191.755 billion respectively by 2023-24.

That is an increase of 150% for Victoria, 101% for NSW, and 53% for Queensland for the period from 2019-20 to 2023-24 at the NFPS level.

Queensland borrowing to revenue ratio for the GG sector increases from 76.6% in 2019-20 to 133.6% in 2023-24.

For NFPS, it increases from 128.4% in 2019-20 to 172.0% in 2023-24.

NSW and Victoria's Debt to Revenue ratios for NFPS increases over the same time from 111.9% and 107.7% respectively in 2019-20, from a lower base than Queensland, to 194.5% and 225.8% respectively in 2023-24, a noticeable higher rate.

Based on the most recent set of Budget releases, Queensland will be the third lowest state in Australia for Debt to Revenue on both the GGS and NFPS metrics, with only WA and Tasmania lower.

Net GGS debt as a share of the economy in 2023-24 will be 13% for Queensland, versus 16% for New South Wales and 32% for Victoria. Queensland's gross GGS debt as a share of the economy will be 23% in 2023-24, versus 24% in NSW and 35% in Victoria.

Comparisons among states about NFPS debt as a share of the economy are not relevant, given that other major states have sold equivalent government owned corporations, while Queensland has kept public assets in public hands.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 05

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

How has the impacts of COVID-19 affected Queensland's prices and wages growth and how these forecasts compare with other jurisdictions? (incl. Government Indexation Rate).

ANSWER:

The 2020 Brisbane March Consumer Price Index was 1.8%. As such, in June 2020, the Government revised its 2020-21 indexation rate to 1.8% for fees and charges.

The State penalty unit for most fines and penalty infringements will not be indexed for the 2020-21 year.

The Queensland Government’s revised rate of 1.8% for 2020-21 means fees and charges will increase at almost half the rate that Queenslanders could expect under the previous LNP Government, which introduced a rate of 3.5% per annum.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 06

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

How will the Government's capital program contribute to economic recovery in Queensland?

ANSWER:

I thank the Committee for the question.

The Government's 2020-21 Budget and our Economic Recovery Plan focuses on protecting jobs. A key element of the Government's recovery plan is the strategic use of the Government's substantial capital works program to accelerate projects, unlock development and increase economic activity.

In the 2020-21 Budget, Queensland has remained committed to a substantial infrastructure investment program, totalling $56.031 billion over four-years, the largest in a decade. This demonstrates the Government's commitment through the Economic Recovery Plan to maintain a significant infrastructure program as a major driver of economic growth and job creation, and to give industry confidence to invest and generate jobs.

The Government's capital works program will directly support substantial employment and economic activity across all regions of the state. The Government has committed to a $14.8 billion capital program in 2020-21, which is estimated to directly support 46,000 jobs.

Around 60% of the capital works program in 2020-21 will be outside the greater Brisbane area, which is estimated to support 28,700 jobs across those regions.

The Government's capital works program, combined with high levels of expenditure across all levels of government in the context of the response to COVID-19, has resulted in ongoing strong growth in public final demand.

After rising 5.2% in 2018-19 and 6.4% in 2019-20, public final demand is forecast to grow a further 6% in 2020-21, contributing around 1½ percentage points to the forecast ¼% overall economic growth in Queensland and helping underpin economic recovery.

The strong growth in public final demand in recent years was supported by a range of initiatives, including the National Disability Insurance Scheme, substantial investment in roads and the Cross River Rail project. Ongoing expenditure in these areas, along with the Queensland Government's capital works program, will support the expected further growth in public final demand.

The Government's ongoing commitment to delivering and facilitating productivity-enhancing and catalytic infrastructure will improve productivity and connectivity across the economy, supporting Queensland's immediate economic recovery but also growing the state's regions and supporting business-led growth over the longer term.

Infrastructure connects individuals and households to employment opportunities and enables all Queenslanders to access essential services, such as health care and education.

Infrastructure is also critical to improve business opportunities by connecting supply chains to more efficiently move goods and services across industries and across regions, the rest of Australia and overseas.

Highlights of the Government's 2020-21 investment in transformative infrastructure include:

- $1.5 billion to continue construction work on Cross River Rail and substantial ongoing investment to fund major upgrades as part of the $3.4 billion program of works on the M1 Pacific Motorway and upgrades to the Bruce Highway.
- $50.4 million of a $709.9 million total spend in joint funding for the Gold Coast Light Rail Stage 3A.
- $38.9 million of $550.8 million total spend in joint funding for the North Coast Rail Line - Beerburrum and Nambour Rail Upgrade.
- Strengthening Queensland's spine – the Bruce Highway, including significant funding for projects on the Sunshine Coast, Rockhampton, Mackay, Townsville and Cairns.
- Substantial ongoing investment to support the state's delivery of enhanced justice and public safety services, and to construct new social housing dwellings and upgrade existing properties, including in Indigenous communities.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 07

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

How has the Federal Government worked with the Queensland Government to ensure the homebuilder program is administered as quickly as possible?

ANSWER:

On 4 June 2020, the Federal Government announced the HomeBuilder program which provides eligible owner-occupiers with a $25,000 grant to purchase or build a new home or substantially renovate an existing home. The states were not consulted prior to the announcement.

After this announcement, the Federal Government worked with the Queensland Government and other state governments through a Treasury working group to settle the terms of the National Partnership Agreement on HomeBuilder which sets out the HomeBuilder program guidelines. State government working groups had to settle administrative requirements to ensure a nationally consistent approach to administration to the extent possible.

On 2 July 2020, I signed the National Partnership Agreement, on behalf of the State of Queensland, formally committing to Queensland administering the HomeBuilder Grant. In Queensland, the HomeBuilder Grant is administered by the Office of State Revenue in Queensland Treasury. While the Federal Government funds the actual grant payments, they have not provided any funding to the states to cover administration-related expenses, such as the cost of engaging additional resources.

On 29 November 2020, the Federal Government unilaterally announced an extension of the HomeBuilder Grant program to 31 March 2021, with some changes including that the amount of the grant is reduced to $15,000 for contracts signed between 1 January 2021 and 31 March 2021. Due to the impending expiry of the grant, limited consultation with the states occurred prior to the announcement of the extension.

On 30 November 2020, the Queensland Government, through the Treasury working group, met with Federal Government representatives to discuss the changes required to the National Partnership Agreement to implement the extension.

Queensland is committed to work with the Commonwealth Government to ensure the HomeBuilder housing stimulus funding benefits the Queensland construction industry and Queensland homeowners.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 08

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

How is the Government's defined benefit superannuation liability funded? How does this compare to other jurisdictions?

ANSWER:

The Defined Benefit Fund is expected to remain in surplus on a funding basis as at 30 June 2020. On 27 July 2020, the State Actuary advised the Economics and Governance Committee that the preliminary estimate of the surplus position at 30 June 2020 was in the order of $3.5 billion.

The 2019-20 Review will be provided to the QSuper Board in December 2020 and subsequently published on the QSuper website.

The government introduced legislation to establish the Queensland Future Fund for the purposes of reducing debt. The *Queensland Future Fund Act 2000* introduced a guarantee of full funding of superannuation liabilities, where "liabilities" were defined as the actuarial value of accrued entitlements based on the assumptions used to determine contribution recommendations, measured at least triennially.

Queensland remains the only Australian state to maintain fully funded defined benefit superannuation liabilities.

By way of some comparisons, Victoria is targeting to fully fund the unfunded superannuation liability by 2035, reported as $31.293 billion in its 2020 Financial Report. Previously, NSW was aiming to eliminate its unfunded superannuation liability by 2030, but following the pandemic crisis, NSW has decided to re-anchor the funding target to be fully funded by 2040, to free up fiscal capacity over the budget and forward estimates. New South Wales reported a $70.951 billion unfunded superannuation liability in its 2020 Report on State Finances.

South Australia reported an unfunded superannuation liability of $12.5 billion in its 2020-21 Budget, and is aiming for full funding of this liability by 2034. Western Australia and Tasmania also continue to have unfunded superannuation liabilities.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 09

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

What measures are being taken to deliver sustainable employment and wage levels in the public service?

ANSWER:

Queensland's public sector workforce is essential to the delivery of services to our community and to meeting the Government's priorities. The Queensland Government is committed to public sector job security while ensuring that employment and wage levels remain sustainable.

During the last term of this Government, a review of public sector employment laws was undertaken by Mr Peter Bridgeman, commissioned by the Government, to ensure Queenslanders have the most responsive, consistent and reliable public service possible.

A two-stage process has been undertaken to implement reforms arising from the review. The first stage identified priority reforms primarily relating to employment security and positive performance management.

Stage one reforms have been advanced through the Public Service and Other Legislation Amendment Bill, which received assent on 14 September 2020 and are now in effect.

For stage two, the recommendation relating to a new Public Sector Act has been accepted and will be progressed in 2020-21. The remaining recommendations will be considered for inclusion in stage two.

Regarding public sector wages, the Queensland Government's policy provides for annual wage increases of 2.5%. This policy was used for the most recent bargaining round, with most now complete.

The impact of the pandemic on Queensland's economy and budget position meant savings needed to be achieved in the short term to support the critical pandemic response.

To that end, a deferral of previously scheduled increases in General Government public sector wages was implemented during the 2020-21 financial year.

The wages deferral balances job security for public sector workers while ensuring the budget is manageable given the impact of the pandemic on the economy. Deferral of wage increases supports the budget and pandemic response through the crisis period, while allowing for increases in the following years according to existing individual agreements.

The Government's savings and debt plan also includes a focus on core business and sustaining effective frontline services. This means that departments' staff levels will be maintained within approved caps, excluding frontline staff requirements.

The frontline will be reinforced by limiting secondments of frontline workers to back office roles and identifying opportunities for roles to be reallocated to frontline tasks.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 10

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

How does the Queensland Government's debt of Government Owned Corporations and statutory authorities compare to other states and territories?

ANSWER:

Queensland Government owned corporations, and large statutory authorities like Queensland Rail and Seqwater, make up the majority of the Public Non-financial Corporations (PNFC) sector in Queensland.

Each jurisdiction’s PNFC sector is different, including with regard to the type and size of businesses. Queensland proudly maintains ownership of significant businesses in the energy, water, ports and rail sectors with a collective asset value of over $70 billion.

The Government’s commitment to retain public ownership of significant income generating assets across these sectors allows us to continue to invest in essential services and affordability measures.

When considering the combined effect of PNFC and General Government Sector (GGS) debt, Non-Financial Public Sector (NFPS) debt to revenue is the relevant metric.

Queensland borrowing to revenue ratio for the NFPS increases from 128.4% in 2019-20 to 172.0% in 2023-24.

NSW and Victoria’s Debt to Revenue ratios for NFPS increases over the same time to 194.5% and 225.8% respectively in 2023-24

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 11

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 74 of the SDS, will the Treasurer advise total expenditure by Treasury and administered statutory bodies on external consultants and social media in (a) the 2017-18 financial year, (b) the 2018-19 financial year, (c) the 2019-20 financial year and (d) what is the budgeted expenditure in the 2020-21 financial year?

ANSWER:

	2017-18 Actual $'000	**2018-19 Actual $'000**	**2019-20 Actual $'000**	**2020-21 Budget $'000**
External Consultants	14,773	15,865	12,882	7,845
Social Media	0	0	5	0

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 12

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 74 of the SDS, will the Treasurer advise for the 2019-20 actual financial year and 2020-21 budgeted financial year (in table format by individual financial year) (a) the headcount number of contractors and labour hire staff in Queensland Treasury and administered statutory bodies, (b) all expenses associated with contractors and labour hire staff in Queensland Treasury and administered statutory bodies and (c) headcount number of staff seconded to Treasury and administered statutory bodies from any other State Government entity?

ANSWER:

	2019-20 actual financial year	**2020-21 budgeted financial year**
Headcount number of contractors and labour hire	189	131
Expenses associated with contractors and labour hire	$42,792,346	$27,322,614
Secondments	24	19

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 13

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 74 of the SDS, will the Treasurer advise the reprioritisation target value for each Queensland Government department in the 2020-21, 2021-22, 2022-23 and 2023-24 financial years (broken down by individual financial year and department)?

ANSWER:

To support Queensland's economic recovery, the government is implementing a Savings and Debt Plan within government services to deliver savings of $3 billion over four years to 2023-24 ($750 million per annum from 2020-21). Savings will be achieved without cutting frontline services, sacking public servants or selling Queensland assets.

The Savings and Debt Plan has, to date, achieved savings of $352.2 million in 2020-21. On release of the 2020-21 Budget, 42 per cent through the 2020-21 financial year, 47 per cent of the $750 million savings target for 2020-21 had been achieved.

Savings have been achieved across a range of measures including reductions in agency expenditure on travel, contactors and consultants, and other supplies and services.

Six workstreams have been established to progress measures under the Savings and Debt Plan, with a focus on Government Advertising; Accommodation, Data and ICT; Workforce; Structural Reform opportunities; and Agency Functional Reviews. Short, medium and long-term savings opportunities are being identified and progressed through measures under these workstreams.

Agencies have been allocated targets to achieve the residual savings target ($397.8 million) for 2020-21. These targets will be offset by savings progressively identified under the Savings and Debt Plan workstreams. The savings target by agency are outlined in Attachment 1.

Agencies have not been allocated savings targets for 2021-22, 2022-23 or 2023-24, given that further savings achieved through measures under the six workstreams will contribute to meeting the residual Savings and Debt Plan target.

Attachment 1

Agency	2020-21 Savings Target
Department of Agriculture and Fisheries	1,530
Department of Children, Youth Justice and Multicultural Affairs	11,196
Department of Communities, Housing and the Digital Economy	3,534
Department of Education	77,547
Department of Employment, Small Business and Training	4,901
Department of Energy and Public Works	3,185
Department of Environment and Science	3,481
Department of Justice and Attorney-General	3,518
Department of Regional Development, Manufacturing and Water	627
Department of Resources	1,406
Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	2,939
Department of State Development, Infrastructure, Local Government and Planning	5,008
Department of the Premier and Cabinet	506
Department of Tourism, Innovation and Sport	653
Department of Transport and Main Roads	57,371
Electoral Commission of Queensland	1,333
Inspector-General Emergency Management	61
Legislative Assembly	500
Ombudsman	130
Public Safety Business Agency	2,951
Public Service Commission	61
Queensland Audit Office	31
Queensland Corrective Services	4,828
Queensland Fire and Emergency Services	543
Queensland Health	177,475
Queensland Police Service	29,658
Queensland Treasury	1,706
Whole-of-Government	1,099
Total	**397,778**

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 14

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 74 of the SDS, will the Treasurer advise whether he is aware of any defined benefit account errors/miscalculations that have led to adjustments in the last two financial years, and if so, how many accounts have been impacted and by what total value has the adjustment been for each of these financial years?

ANSWER:

I am not aware of any defined benefit account errors or miscalculations in the last two financial years.

Under State and Commonwealth legislation, the calculation and payment of member benefits is a matter for the QSuper Board and the Queensland Government has no role in the supervision of member accounts.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 15

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 74 of the SDS, will the Treasurer detail the number of fraud and/or misconduct investigations currently being undertaken either by Treasury, administered statutory bodies, or the Crime and Corruption Commission, regarding employees with specific reference to the overall types of complaints and the number of staff currently on suspension as a result of these investigations?

ANSWER:

It is not appropriate to comment on investigations currently being undertaken in the Treasury Portfolio or by the Crime and Corruption Commission.

The Public Service Commission meets its legislative requirement under section 88N of the *Public Service Act 2008* to publish annual conduct and performance data by 30 September each year.

A link to this report is below:
https://www.forgov.qld.gov.au/2019-20-conduct-and-performance-data

The Public Service Commission data does not include matters involving corrupt conduct.

Corrupt conduct matters fall under the jurisdiction of the Crime and Corruption Commission (CCC) and a corruption allegations data dashboard is published at Corruption allegations data dashboard | CCC - Crime and Corruption Commission Queensland

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 16

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 74 of the SDS, will the Treasurer detail (in table format by business unit) the number of full-time equivalent staff from each individual business unit that contributed to the reduction in staffing from 1,187 in 2019-20 to 1,111 in 2020-21?

ANSWER:

Business Unit	**Number of full-time equivalents staff**
Planning and Infrastructure and Economic Resilience[1]	-231.9

Notes:

1. Decrease due to the machinery of Government transfer of these functions to the Department of State Development, Infrastructure, Local Government and Planning effective 1 December 2020, partially offset by increases elsewhere for other reasons.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 17

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 74 of the SDS, will the Treasurer advise all losses on interest and distributions held by the Queensland Investment Corporation on behalf of Treasury and administered statutory bodies for the 2019-20 financial year?

ANSWER:

The market value of investments globally was adversely impacted by significant falls in interest rates and volatile market conditions over 2019-20.

QIC manages approximately $700m in market investments on behalf of Qld Treasury for the Motor Accident Insurance Commission and the Nominal Defendant.

I am advised that, for these funds, the loss in 2019-2020 was approximately $4.5m, but this has been offset by gains in 2020-2021 (year to date) of $40m, for a net gain of approximately $35.5m since 1 July 2019.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 18

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 74 of the SDS, will the Treasurer list all programs (in table format) which contributed to Treasury's 2019-20 capital purchases exceeding the budgeted $561,000 including (a) program, (b) budgeted program cost, (c) actual program cost, (d) expected program completion date?

ANSWER:

The 2019-20 capital purchases actual of $1,370,000 was consistent with the budget as revised during the 2019-20 year.

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 19

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 74 of the SDS, will the Treasurer advise of the $100 million Resources Community Infrastructure Fund (a) how much of the fund has been deposited by industry, (b) over what financial years will the funds be disbursed and (c) will the fund receive new allocations from industry or the government?

ANSWER:

On 18 May 2020 the State and the Queensland Resources Council representing participating mineral resource companies signed a Memorandum of Understanding (MoU) that establishes the Fund.

(a) The proposed funding is $70 million from participating mineral resource companies across the period 2019-20 and 2021-22. For amounts relating to 2019-20, the Fund has received approximately 50% of the expected contribution from participating mineral resource companies.

(b) This and the next.

(c) Yes

Economics and Governance Committee

Estimates Question on Notice
Asked on Thursday, 3 December 2020
No. 20

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

QUESTION:

With reference to page 60 of Budget Paper 2, will the Treasurer provide a breakdown (in table format) of all securities and derivatives trading programs by Government Owned Corporations which contributed to the variance between the 2019-20 MYFER estimate and the 2019-20 actual including (a) the Government Owned Corporation, (b) the net loss or profit from the trading program and (c) what exchanges were utilised by the trading programs?

ANSWER:

Information in relation to securities and derivatives trading of Government owned corporations (GOCs) is provided in the Annual Reports of each business, which are prepared in accordance with relevant accounting standards. These audited accounts outline gains and losses by financial year, valuation approach, and relevant risk sensitivities of derivatives contracts entered into by GOCs. Anything more specific around the securities and derivatives trading programs of GOCs is commercial-in-confidence.

As described in the 2019-20 annual reports of the individual businesses, GOCs may enter into a diverse range of contracts and derivatives (for example, over-the-counter and exchange traded swaps, caps and option contracts).

GOCs are governed by a *Code of Practice for Financial Arrangements* which requires GOC boards to develop, maintain and implement appropriate financial risk management policies, including in relation to derivatives trading.