

### ECONOMICS AND GOVERNANCE COMMITTEE

#### **Members present:**

Mr LP Power MP—Chair Mr MJ Crandon MP (virtual) Mrs MF McMahon MP Mr DG Purdie MP (virtual) Mr RA Stevens MP (virtual) Mr A Tantari MP (virtual)

#### **Staff present:**

Ms L Manderson—Committee Secretary
Ms M Westcott—Assistant Committee Secretary

# PUBLIC HEARING—INQUIRY INTO THE DEBT REDUCTION AND SAVINGS BILL 2021

TRANSCRIPT OF PROCEEDINGS

TUESDAY, 27 APRIL 2021
Brisbane

### **TUESDAY, 27 APRIL 2021**

#### The committee met at 11.06 am.

**CHAIR:** Good morning. I declare this public hearing open. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are extraordinarily fortunate to live in a country with two of the oldest continuing cultures in those of Aboriginal and Torres Strait Islander peoples, whose lands, winds and waters we all share.

My name is Linus Power, the member for Logan and chair of the committee. The other members of the committee are: Ray Stevens, the member for Mermaid Beach and deputy chair, who is joining us today by teleconference; Michael Crandon, the member for Coomera, who is also joining us by teleconference; Melissa McMahon, the member for Macalister; Dan Purdie, the member for Ninderry, who is joining us today via videoconference; and Adrian Tantari, the member for Hervey Bay, who is also joining us via videoconference.

The purpose of today's hearing is to assist the committee with its examination of the Debt Reduction and Savings Bill 2021. The hearing is a proceeding of the Queensland parliament and is subject to the standing rules and orders of the parliament. It is being recorded and broadcast live on the parliament's website. Provided you are not joining us this morning via videoconference connection on your mobile phone, I ask all those participating to please turn off mobile phones or switch them to silent, and to also place microphones on mute unless you are speaking. This will prevent audio interference and background noise. We will begin today's proceedings by hearing from representatives from the Queensland Law Society, whom I now welcome.

#### DEVINE, Ms Wendy, Principal Policy Solicitor, Queensland Law Society

### DUNN, Mr Matt, General Manager—Advocacy, Guidance and Governance, Queensland Law Society

#### SHEARER, Ms Elizabeth, President, Queensland Law Society

**CHAIR:** Good morning and thank you for joining us today. I invite you to make an opening statement, after which the committee members will have some questions for you.

**Ms Shearer:** I thank the committee for inviting the Queensland Law Society to appear this morning. In opening, I too would like to respectfully acknowledge the traditional owners of the land and pay deep respects to all elders past, present and emerging.

The QLS submission in relation to this bill principally dealt with the changes to the Titles Registry. The QLS considers that the Titles Registry is a vital service to the Queensland public. It is the repository of all land titling information in Queensland, and the ongoing security and integrity of the registry is a critical matter of public interest. We thank Queensland Treasury for their consultation with the Law Society during the development of this legislation. We note that the legislation retains the continued public ownership of the Titles Registry. We welcome this.

We have highlighted in our submission our concern that the legislation will permit the new operator of the Titles Registry to act under the title 'official' or act under the title of the operator, and the official is of course the Registrar of Titles. We believe that this approach could potentially cause confusion unless there is a legislative requirement to identify when the operator is acting under the delegation of the official so that any decision should be apparent on its face that it is by the operator as delegate or by the operator in its own right.

We have also raised an issue—and it is not specific to this act—about the need to review and update legislation such as the Land Title Act as automated systems are increasingly used to make decisions. Other jurisdictions have recognised the need to specify in legislation when a computer system can be used, and we recommend that the Queensland government start to review and update our statute book in the same way. We mention it on this occasion simply because there are automated decisions made in the land titles office. We acknowledge that this issue is not solely within the scope Brisbane

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of this bill but we highlight it as a significant and emerging issue. As you know, I am joined today by Matt Dunn, general manager of advocacy, guidance and governance, and Wendy Devine, a principal policy solicitor responsible for this area. We welcome any questions the committee may have.

**Mr STEVENS:** Ms Shearer, I have one clarification followed by a question. The first is to clarify the matters you raised in your opening address about the operator acting as an official or acting in their own right. Can you clarify what you mean and the problems that may occur if they are not acting, as you say, on behalf of the registered company or they are acting in their own right on the matter? Can you clarify that and show me what the difference is and the potential conflict there?

New South Wales basically privatised their titles office, as I understand it, a few years ago for about \$2.6 billion. What problems have arisen from that particular operation in New South Wales that you can advise the committee of?

**CHAIR:** There are two separate issues there. Ms Shearer, feel free to ask your colleagues to add to those answers as well.

**Ms Shearer:** I will give an illustration of the point about the decision. There will be a number of decisions made in the registry about the acceptance of documents. For example, if I were to lodge a caveat over a property, that is something the registry has to scrutinise and make a decision on whether it is accepted. That decision, when made, will be on behalf of the Registrar of Titles. That is a relatively clear-cut one. Nevertheless, we think it appropriate that that decision be signed by the Registrar of Titles and then have a notation that it is the operator exercising its delegation—just so there is complete clarify.

There are other decisions that might affect people's legal or administrative law rights that might be made by the operator that are not decisions on behalf of the Registrar of Titles, so it should be apparent on the face of that decision that it is being made by the operator in its own right. We just think there is a whole range of decisions that could be made in this entity and there should be clarity about when it is a decision of the entity solely on its own behalf and when it is a decision of the entity on behalf of the Registrar of Titles.

**Mr STEVENS:** If they make that decision on their own behalf, surely there is exactly the same legal standing as it is for the registrar. If you have a law case about registering a particular document or whatever, where would it be that they were acting on their own behalf and that does not commit the registrar to that particular application?

**Ms Shearer:** It is not that it does not commit the registrar; it is that when the entity acts under delegation of the registrar it is important that its decisions be within that delegation. You would be aware that some decisions could be made purporting to be under the delegation but are actually outside the scope. That is something that may not be apparent. That is something that would be apparent on scrutiny of the decision if you knew that it was the entity making the decision under delegation. However, if you do not know that then a question arises. It is really just a transparency point so that anybody affected by the decisions can see clearly the basis for the decision.

Mr STEVENS: And the second part of my question?

Ms Shearer: I have only high-level knowledge about that, so I will pass to Wendy.

CHAIR: The second part of the question was about—

Mr STEVENS: New South Wales.

**CHAIR:**—operation in New South Wales under a privatised structure.

**Ms Shearer:** I am aware that the profession in Queensland has considerable concerns about full privatisation based on the experiences of the profession interstate, but I confess I am not across the detail of that.

**Mr Dunn:** Perhaps that is a matter we could take on notice and we could speak to our colleagues in New South Wales.

**CHAIR:** We will not oblige you to do that, but if you have something you think could be useful for the committee's consideration, please provide it. Deputy Chair, that might be the way to do it.

Mr STEVENS: I would be happy with that.

**CHAIR:** We are not obliging the QLS to respond to us; however, if there is something on that point that was of interest to the committee it might be something you could add to our consideration. We are not obliging you to follow up on that question.

**Ms Shearer:** Yes. Because privatisation has not been proposed at this point, it is not something we have addressed in that detail.

Mr STEVENS: I understand that.

**CHAIR:** That is reasonable enough that it is not part of the scope of the bill in any way. We note there are some other ancillary things that have been put forward that may not be a feature of our report but are important because they are relevant to the way this operation will go forward.

**Mrs McMAHON:** Following up on the issue that you raise about the role of operator and official, I am not sure whether you have had a chance to see Treasury's response to your submission where they outline—

... (the Bill) provides that when the operator (or the operator's subdelegate) is performing a titles registry function it (or its subdelegate) is performing the function for the official, irrespective of whether the operator uses the title ... The use of the title of the official continues the existing practice ...

Is what is being proposed in this bill a continuation of an existing practice? If so, is this an issue that has come up previously—or any particular issue that has occurred previously—which needs to be addressed in this bill?

**Ms Shearer:** I think the new feature is a separate legal entity here, so it is not a continuation of an existing practice.

**Mr Dunn:** I think what has changed is: within the administration of the titles office, it would not be unusual for an officer to make a decision as the Registrar of Titles within the organisation; that is perfectly understandable. What we are doing here in this bill is changing the corporate structure around how those functions are to run and we are interposing a new entity which is owned and controlled in a slightly different way. We are looking at a new world when we are looking at decision-making. From the point of view of transparency, where the operator is making a decision for the registrar, it would be good for that to be clear on the face of the decision that it is a decision by the operator for the Registrar of Titles.

**CHAIR:** Was this an issue that had some ambiguity under the previous structure or something that is a creation of the new one?

**Mr Dunn:** I think in this circumstance it is really because of the creation of the new structure that it changes. If we are looking at operations within the titles office as it was as a part of the department, that is a Public Service structure in a particular context and now we are looking at a different kind of structure. If there are certain decision-making powers that the operator will have and certain areas where the operator will not have powers to make decisions, if every decision is just signed off as 'Registrar of Titles', no-one will ever know if it is one of those decision-making powers that the operator does not have.

**Mr TANTARI:** In your submission you welcome commitments from the Treasurer that the Titles Registry would remain in public hands. Would you please comment on why you support public ownership of the Titles Registry?

**Ms Shearer:** I think because it is such a vital piece of infrastructure for the state in terms of being the repository of all records about how land is held. Because of the nature of that, we think it is a vital public entity and we welcome the fact that it is still held publicly. If there were to be any change to that, we would look at the issue in more depth and there would need to be consultation around that.

**CHAIR:** That is certainly not part of this legislation. Thank you very much. There being no further questions, we appreciate your attendance and your input. Thank you very much for appearing here to assist the committee with our deliberations. We note that there has not been a question taken on notice formally, but if there is anything supplementary that the society would find beneficial for the committee we would welcome that. In order for it to be included in our deliberations, we like to receive it by 5 pm on Thursday, 29 April. We understand that that might be a factor of consulting within the committee.

#### SCOTT, Mr Alex, Branch Manager, Together Union

#### SOTTILE, Ms Rosa, Political Organiser, Together Union

CHAIR: I now welcome representatives from the Together union. Mr Scott, what is your title?

Mr Scott: State secretary.

**CHAIR:** Good morning and thank you for joining us today. I invite you to make an opening statement, after which committee members will have some questions for you.

**Mr Scott:** We have made a reasonably lengthy submission regarding a range of elements in relation to the Debt Reduction and Savings Bill. We particularly want to focus on the changes to the Titles Registry. From our perspective, we are concerned about what are significant changes to our members' conditions in relation to the Titles Registry changes. While we welcome the government's decision in rejecting the option of privatisation, which has been adopted by other states, in relation to the changes to the Titles Registry, the corporatisation process which is being undertaken does make significant changes to our members' conditions.

We are continuing to have discussions with the employer, through QIC as the future employer as well as Queensland Treasury and Natural Resources as the current state government employer, regarding not only what this legislation looks like but also where it fits with future policies and also the enterprise bargaining arrangements that will be required to ensure members' conditions are protected during this process. In terms of what that looks like, there are a number of other changes considered by this legislation which deal with public servants moving between other public sector and Public Service positions. However, because of the nature of the corporatisation of the Titles Registry, they are moving from the state industrial framework to the federal industrial framework. Those negotiations have not yet been completed.

In terms of the legislation specifically, the major legislative issue that is still subject to other negotiations at both the government level and the employer level relates to the issue of indemnity. Our members are gravely concerned about the fact that the current Public Service Act has clear provisions in relation to indemnity. The proposed legislation does not have the same wording in relation to indemnity. From our perspective, if the negotiations at the enterprise bargaining and policy level do not come up with a satisfactory conclusion, we would be seeking that the legislation be amended to ensure there is no loss of conditions, in a practical sense or in a theoretical sense, in relation to what that indemnity looks like.

Overall, our members are cognisant of the need for government to manage the savings and debt issue. While we understand that corporatisation will have a major impact on our members' lives, we are clear that the ability to show the full value of the Titles Registry in a corporatised structure is a significant benefit rather than the alternative privatisation method. However, we need to make sure that during this process there is no significant loss of members' conditions.

While we would like to be able to say to the committee absolutely that the bill is or is not a problem, at this stage how the bill interacts with the proposed legislation, the proposed collective agreement and government policy and employer policy for QIC if and when they assume control of the Titles Registry is a matter that is still subject to discussions. We may not be in a position to provide final views today. If the negotiations which were occurring last week with QIC—and we would also like to put on record our thanks to the Treasurer in particular for intervening in these discussions to ensure he was able to hear clearly the concerns of the staff involved—fail to come up with a satisfactory response, our position would be that when parliament considers the bill there needs to be a reflection of the current indemnity provisions within the Public Service Act; they need to be replicated in this bill to ensure that occurs for the Queensland Titles Registry Pty Ltd, or whatever the entity ends up being formally called.

We would be happy to take questions on the broader parts of the submission. I am aware you have some time constraints today. I am happy to take questions or expand on any parts of our submission if you think that is worthy of the committee's consideration.

CHAIR: Thank you very much, Mr Scott.

**Mr STEVENS:** Mr Scott, there is something you can clarify for me on behalf of your members. Many of your long-serving members of the Public Service would be on the defined benefit scheme. Moving to a corporatised model, I am not sure how those benefits would transfer under the current legislation. How have you managed to deal with that change to those public servants' employment to maintain a defined benefit scheme?

**Mr Scott:** The members' conditions are governed by what is in the act and also what is in their collective agreements, their awards and their EBs. Because of the nature of the corporatisation process, we are having to renegotiate all their award and EB conditions. While there is a general commitment around guaranteeing the same conditions as currently exist, that is a work in progress and we have not finalised an in-principle agreement for the award and EB conditions. That is where the indemnity issues tie in, because the employer is seeking to do that.

Superannuation is dealt with through the superannuation legislation. The defined benefit scheme and the accumulation scheme with QSuper are now a public offering, as a result of changes to legislation around superannuation a couple of years ago. Certainly QSuper has been offering to GOCs and other entities superannuation products for a period of time. There is no limitation to QSuper's ability to continue to provide both new employees and existing employees of whatever this entity ends up being called—it is Titles Registry at the moment—access to QSuper.

In terms of existing employees who are covered by the defined benefit scheme, which is closed to new employees, we are comfortable that the legislation will guarantee that there will be no change and that the employer will be able to continue to ensure that all employees who are currently on defined benefits within the Titles Registry will be able to keep that when they transfer across. Because of the broader nature of QSuper now, of all the things we are comfortable with—there is a scale about how comfortable we are with those negotiations. The super issue is not linked to the bargaining issue, so therefore we think it is clear-cut in terms of a guarantee. Of all the things that are a risk for our members in terms of employment security, conditions of employment, indemnity and superannuation, superannuation is the one area where we are most confident that there will be no change to the defined benefit for existing employees who are currently within the defined benefit scheme.

**Mrs McMAHON:** In your submission you mention concerns with clause 45 of the bill, particularly with respect to liability. Your submission states—

The draft Bill therefore significantly reduces the level of protection afforded by the indemnity.

Can you outline the circumstances in which an employee under the current system might find themselves at greater risk under the proposed bill?

**Mr Scott**: In terms of the comparison between the Public Service Act indemnity, which is 26C, and 45(1), we were initially consulted about the bill in terms of a broader consultation before it went to cabinet. Given the cabinet-in-confidence process, we were not able to seek significant legal advice. We are now engaging with that. There is a recognition from the employer that there is a very different set of words around 45(1) of the proposed legislation compared to 26C in that 26C is a quite broad indemnity policy that talks about anything that you do. Clearly, given outrageous behaviour by an individual, it does not mean you are guaranteed for everything. There are some limitations in a broad sense, but they are quite limited. Therefore, public servants have well-established case law and employer behaviour in that if they are doing things with the best of intentions they will covered.

The problem with 45(1) really deals with the fact that it is quite specific about what issues are being covered by your behaviour. If you are an employee of the title registry, if we call it that, you are only covered within delegated performance issues but are not necessarily covered if you do something that is not. Because it defines what part of your job you are covered for, potentially there are other parts of your job that you are not covered for.

We think it is because of the way the draft legislation was picking up some of the other legislation rather than the Public Service Act in terms of what are the standards for indemnity, but it is moving from a very broad definition to a narrower definition in terms of whether you are covered for everything you do. Our view at the moment, in terms of the proposed legislation, is that there will be a range of things potentially that you could be doing in your job that would not fall into the definition provided by 45(1); therefore, you would not be covered automatically by indemnity for those actions. The employer still has a common law indemnity issue but, in terms of our members' view of it in relation to a legislative base, the movement from the broad Public Service to a narrower definition means there are some parts of the work that are exposed to not being caught by that narrower definition of what work you are doing.

We are in discussions with the employer through QIC—we had discussions as late as Friday afternoon—as to whether there is a way of overcoming it in a non-legislative sense. If those things fail to address our concerns in a meaningful way, we think the sort of wording in 26C, which is 'engaging in any official capacity', should be replicated. We have not yet had put to us any reason as to why the 45(1) drafting, which says these things which are delegated as opposed to 'engaging in official capacity', could not be replicated in the legislation.

**Mr PURDIE:** Further to the answer you gave to Mr Stevens when talking about discussions with the government, superannuation being one of the ones you were most comfortable with—I know you have mentioned it a few times so it seems you are not that comfortable with 26C and 45(1)—what are some of the ones you are most uncomfortable with at the moment? I note from your submission that security of staff employment is one. Have these discussions allayed some of those fears?

**Mr Scott:** If the legislation gets passed, staff will transition to the new company structure under QIC sometime, we would assume, during June. There have been some broad commitments about people not being disadvantaged by that transition. In terms of how those commitments will be delivered—the super provisions are straight through legislation—we are halfway through negotiations around the collective bargaining process for these staff.

While other people covered by this legislation are moving from Public Service to Public Service in terms of PSBA and whatever, because of the corporate structure being used to provide full monetary value for the state government in terms of the Titles Registry, that is moving people from the state industrial relations framework into the federal industrial relations framework. Those negotiations have not been completed. As at today's date, we do not have a complete certified agreement and award for these workers. We are well advanced in those negotiations. If the government does not change its position and those negotiations proceed, there is a bunch of conditions which we think will be protected. In terms of the bits which are still subject to discussions—the pieces of the jigsaw need to fit together in terms of how the legislation fits versus how the award and the EB fit—the issue around employment security is significant for us, because these people are moving from Public Service status to a corporate status owned by QIC.

The state government has a good employment security policy for public servants and is committed to ensuring that nobody is forced into unemployment as a result of organisational change in the Public Service. That is in their EB, but that has been a longstanding policy of this government for five or six years now. After the EB finalises for Titles Registry, the question is: what happens beyond that? If there is significant technological change for workers in this area, are they more exposed in terms of their employment security? That is a piece about which we are still in negotiations with the employer and QIC at the moment. If those negotiations fail to come up with a satisfactory response, we may also still say that the reversion right—which is for one year, which is consistent with the GOC legislation—needs to be expanded to two to deal with the need for employment security for these workers. In terms of those negotiations, everybody has an agreed set of facts. We are still progressing those discussions well.

In terms of the indemnity negotiations with QIC, the facts are not as clear to us. While we have certainty around what employment security looks like, exactly what are the implications of 45(1) compared to 26C in the Public Service Act are less clear. We are comfortable with superannuation because we know exactly what that looks like and there is no change. There is significant change in members' employment conditions because of movement from the state to the federal IR framework due to the need to corporatise to get full monetary value for the entity to ensure the state government gets the value of the asset out of this process. That process has not yet been completed, so there is not absolute certainty, from my members' point of view, until we get those EB negotiations finalised for that piece. Then the piece around indemnity is a step beyond the piece around the award and the EB. That is probably more fundamental to the legislation than the employment conditions bit. That is a more complicated set of negotiations because we are having to get legal advice about theoretical positions in relation to exactly how 45(1) might or might not operate.

If the legislation is limited, will there be capacity through the common law or through collective bargaining to provide as good indemnity outside of legislation? At this point in time we are not convinced of that. That is subject to negotiation still but, at the end of the day, the difference between 26C and 45(1) remains a fundamental problem for us. We have not yet had any reason that we can see put to us why something as broad as 26C could not be in the legislation, rather than trying to find a workaround for legislation which potentially has fewer protections than 26C in the Public Service Act.

**CHAIR:** There being no further questions, we thank you very much for appearing before the committee today.

### BOWMAN, Mr Laurie, Principal, Synchrony Projects; Member and Committee Member, College of Leadership and Management, Engineers Australia

## GRAYSON, Ms Nicola, Chief Executive Officer, Consult Australia (via videoconference)

#### RAWLINGS, Ms Stacey, General Manager Queensland, Engineers Australia

**CHAIR:** In view of Ms Grayson joining us today via videoconference and given the slightly more limited visual cues in the absence of nameplates, I ask committee members and witnesses to please identify yourself by name when speaking, particularly when speaking for the first time or when speaking other than in response to a direct question. This should help minimise any confusion for any members of the public watching the broadcast as well as assist Hansard with the transcription of the proceedings. I now invite each of you to make an opening statement, after which committee members may have some questions for you.

**Ms Grayson:** Thank you very much to all of you for accommodating me via videoconference today—I very much appreciate that—and I am sorry I cannot be with you in person. Our submission relates directly to the provision in the bill relating to the abolishment of Building Queensland. There are some areas that I would like to highlight arising from our submission for you. The first is the bipartisan commitment that was given to the establishment of Building Queensland in recognition that it would serve the state well and align with internationally recognised best practice for infrastructure governance. The organisation has been able to demonstrate the bipartisan approach and the advice it has provided regarding the allocation of funding to ensure best bang for buck. It has certainly been able to demonstrate that well.

The assurance process run by Building Queensland ensures there is a level of consistency across the state agencies in their approach to business cases, particularly as capability across agencies varies. Whilst the government's intention is to bring these skills in-house to continue to build that capacity, once those skills go in-house there is no transparency provided to industry or the community about the ongoing priority given to that function. Inevitably, the resources transferred into the department will turn over and we will have no insight into the prioritisation given to the recruitment of those skills on an ongoing basis. Building Queensland, with its CEO reporting directly to the board, has absolute priority given to the people recruited and, of course, the CEO maintains accountability for deliverables under the act.

The Department of State Development, Infrastructure, Local Government and Planning has a broad remit, and while we have assurance today that the skills and roles performed within Building Queensland will be transferred, what certainty do we have that the leadership of the department will maintain that division and it will not be subject to further cuts or attrition over time? Frankly, we lose all that transparency and certainty.

It is not correct to say there will be no material impact of the loss across the community. The loss of that independence and transparency of Building Queensland will indeed have a very material impact on the future infrastructure decision-making in the state, so this is very tangible and measurable in terms of impact on the community. It is disappointing also that organisations like ours and the community were not consulted. Consult Australia has invested time, as have our members and many other organisations, in engaging with Building Queensland. I thank the committee very much for the opportunity to present these points to you. I will leave it there.

**Mr Bowman:** Thank you very much for the opportunity to provide this statement. I am a proud volunteer with Engineers Australia and advocate for professionalism in engineering, particularly in the areas of practice of leadership and management, cost engineering and risk engineering. These areas are focused on improved science in engineering and the governance, assurance value management, planning and control of infrastructure over the entire asset life cycle, from land use planning through to decommissioning and rehabilitation.

We have developed professional development pathways for engineers that align with international best practices, including internationally recognised certification programs. Risk engineering and cost engineering are now recognised areas of practice for professional engineers to become chartered and are included on the National Engineering Register. Our advocacy includes participation in the development of international Australian standards for portfolio, program and project management, partnering with like-minded international professional associations such as the Association for the Advancement of Cost Engineers International, training and conferences, including engagement with industry, academia and governments within Australia and overseas.

Two of the significant risks associated with large, publicly funded infrastructure projects around the world that we would like to see mitigated through good governance are, firstly, the negative impacts caused by premature commitments being made to projects that have not been properly assessed and, secondly, optimism bias, also known as the planning fallacy, which is the phenomenon of individuals and teams to overstate the benefits of initiatives and projects and understate the costs and time required. Past experience has shown that independent project prioritisation and evaluation and advice helps mitigate these risks.

The proposed change in organisation and governance of Building Queensland reduces the level of independence of advisory functions and is a significant, unfortunate deviation from good governance and best practices in Queensland.

We note the response to the submissions received last Friday, 23 April that the government claims work is underway to design and implement refreshed governance arrangements that are best suited to the Queensland context. It is unclear what benefit the government sought by timing the abolition of the existing governance function prior to even designing the revised governance arrangements and associated functions. The decision to abolish the Building Queensland Act and the independent governance functions within it prior to designing the new governance arrangements unnecessarily exposes Queensland to a period without independent governance arrangements in place and uncertainty regarding what governance arrangements will be in place. This timing places significant risk on the Queensland people and provides negligible benefits.

In the past we have promoted Australia as a leading example of continuous improvement in project governance, particularly due to the independent functions performed by the state's infrastructure bodies. The review of Building Queensland's operating arrangements in May 2017 indicated that it met or exceeded expectations and, notably, between 2017 and 2020 Queensland had done better than the national average in terms of the timing of independent assessments of business cases relative to the time of making a financial commitment. It would be unfortunate to see that improvement in maturity thrown out the window by diminishing the level of independence of these functions. When making this change, it is unclear what value, if any, was placed on the level of independence of the functions listed in the Building Queensland Act compared to the reduced level of independence that will be achieved through the Debt Reduction and Savings Bill. Segregation of duties is widely recognised as best practice in governance.

The Building Queensland Act provided Queenslanders with insurance that proposals and projects were being prioritised and evaluated in their best interest. The erosion of the level of independence effectively passes financial risk onto current and future generations of Queensland taxpayers. Furthermore, the timing of this gap in governance raises concerns. A large number of infrastructure projects are being planned post COVID, including infrastructure for the Olympic Games. Large capital infrastructure projects are highly correlated with larger and more frequent cost overruns, and hosting the Olympics frequently results in significant infrastructure cost overruns and financial losses for government. Proper governance needs to be in place.

Adding to the complexity is the expected increase in infrastructure investment throughout Australia and the limited market capacity to deliver large capital projects concurrently. This further emphasises the requirement for independent project prioritisation and analysis. Independent assurance makes Queensland projects more attractive to the private sector through increased confidence that risks have been assessed, ensuring that an appropriate level of contingent funds are made available for delivery agencies and the supply chain which helps ensure the integrity of the assets delivered and reduces the likelihood of non-value-adding commercial disputes.

A change of this magnitude requires consultation among stakeholders. The limited consultation and information about the new governance processes adds to the uncertainty and reduces confidence in the short, medium and long term. We propose that this matter be revisited before the change is formally implemented. With this in mind, we would like to see changes considered that provide significant improvement in value for money for Queenslanders. These five changes are likely to position Queensland ahead of the other states, rather than positioning us as laggards: firstly, discount rate reforms so that discount rates are meaningful, fair for future generations, transparent and reviewed at appropriate intervals; secondly, a portfolio management approach to help diversify risk, balance implementation capacity against demand, improve resource planning and enhance the use of capital for contingency-a portfolio management approach can increase the attractiveness of high-risk and high-return initiatives such as those incorporating technology and innovation and that are less likely to be resource intensive; thirdly, the development of standard data structures for benchmarking, identifying project performance trends, improving future estimates and providing valuable insights to industry; fourthly, improved standardisation in procurement processes, including 27 Apr 2021 Brisbane

specifications for project planning, project control and reporting; and, fifthly, a more comprehensive risk management of the state's assets in order to better inform infrastructure priorities. Please consider. Thank you very much.

**Mr STEVENS:** Given your comments, Ms Grayson, I suppose to 'non-consult Australia', in your submission you stated—

Without an independent infrastructure body, the project prioritisation process, interrelationship and coordination with Infrastructure Australia will be unclear to agencies and the infrastructure sector.

Could you clarify what you mean by that statement and give examples, if possible? Would you like to comment on the fact that the integration of this entity into a government department will ensure that it loses its independence of opinion, advice and professional statement?

Ms Grayson: Yes, certainly. By the very fact of its repeal it loses independence, because the board of Building Queensland has a balance of government and private sector representatives on it. As I said at the outset, it was created with bipartisan support. That really is the lynchpin of these organisations. We have seen infrastructure bodies created around every major state in Australia, most recently Infrastructure Western Australia and Infrastructure South Australia. That concept and structure, as we set out in our submission, of establishing an independent board with a CEO, with an organisation behind that CEO who are expert at devising business cases and also looking at the prioritisation of projects arising out of that, again give best bang for buck to the state. All of that independence, all of that scrutiny being applied, is lost by merely abolishing the board and the CEO position. Yes, those skills, we have been told, will be transferred into the department, but I would question—we do not know—whether all of the people working there are going to be transferred in. Have there already been some resignations as a result of this? These are questions I am asking. I do not know, but I suspect that might be the case. Over time, who will be re-recruiting those skills to ensure we have people in those positions who really know how to do this job well? They will not have a CEO oversight because the CEO is responsible for a substantial department. That CEO cannot be expected to run that group of people in the same way that an independent CEO and an independent board have done. We really are downgrading this function substantially.

**Mr CRANDON:** We received some responses, and I believe you have received a copy of the responses, from Treasury in relation to some of the submissions you have made. I cannot find it in the notes—they are not quite clear. You say that the current situation is that we are ahead of the game when it comes to Building Queensland and its capacity to enter into the fray, if you like, in relation to timing. They are suggesting that Building Queensland comes to the party too late to be able to make any substantial contribution. Unfortunately, I cannot find the exact words they used, but you touched on it again there. You said that Building Queensland is ahead of the game, as far as the rest of Australia is concerned, in relation to being able to come in and make some significant impact, benefiting the process, versus other states. They seem to be flying in the face of what you are saying.

**Mr Bowman:** There are two different issues. The point I was making is that between 2017 and 2020 Queensland had performed above average in governance in that proper assessment and independent assessment had been performed on business cases before commitments were being made, so it is that timing that is an indicator of good governance and slightly above the Australian average between 2017 and 2020. I think the other aspect that you are talking about is the departments not having enough internal resources to properly perform the analysis that is required for business cases early on in the cycle, so from memory they were expressing a desire to have the resources that are in Building Queensland that are highly skilled in that and pulling them across earlier. The human capability early on in the project life cycle was the point, I think.

**Mr CRANDON:** So I may have been misinterpreting. My inference when I read all of this material last night was that they were saying that Building Queensland was just coming to the party too late with regard to being able to assist. There was too much of a financial commitment already made in projects so that when they came in with their assessments et cetera it was too late and there was already too much invested.

**Mr Bowman:** There is a variety of functions in the Building Queensland Act, the primary one being around providing independent advice and prioritisation as well as supporting with business cases. That issue to me sounds like they had an internal capability issue in terms of the development of business cases. I am not sure whether that is Building Queensland's responsibility.

**Ms Rawlings:** Just leading on from that, I think if that is the case then we would head back to Nicola's question: how is that going to be addressed by bringing it in-house? If the response is that they were not bringing it and that Building Queensland had something that was not timely enough, Brisbane

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then how is bringing it in-house going to solve that problem? That is the uncertainty about not having proper consultation, so we have the lack of certainty around what that actually looks like. What that means and what change is going to happen by bringing this function in-house is an unknown for us.

Mr CRANDON: Would Ms Grayson like to make comment in that regard?

**Ms Grayson:** The only thing I would add to Stacey's comment is: if there were an issue around timing then certainly I do not see that that would be contrary to the obligation that Building Queensland would have had in its charter under the act, so that to me is a question to Treasury—that is, if that was a concern they had, why was that not part of a review process? To me, if you have a function like Building Queensland, it would be good order and good practice that, as in the past, you would do a review of its functions to make sure it is hitting its charter and its obligations under the act. If there were any question that it was not, then we would have had a public consultation period and been able to resolve those issues. To me, that is not grounds enough to then say, 'Well, Building Queensland didn't really get to what it needed to fast enough so it's a reason to abolish it.' That is not strong enough reason. That to me is a challenge to rectify, not, to use that colloquialism, to throw the baby out with the bathwater.

**Mr Bowman:** There was a review in 2017 and none of these issues were raised. It said that Building Queensland was meeting and exceeding expectations.

**CHAIR:** Building on that, though, with regard to the idea of a siloed and necessarily independent institution that may not be involved at the earliest possible point creating business cases, is there a danger that decisions are made to make investments before that process is done by a separate and siloed institution?

**Mr Bowman:** I will have to take that on notice, without knowing the detail of the stage gate process et cetera.

Ms Rawlings: I think we could still just refer back to how that is going to happen by one department. If it has been brought back to one department, how is that going to impact on, for example, the Department of Education or Department of Health making their investment decisions? It is just about the structure—that is, that structure about when those people with the skills are making that decision. This is where we would say that that skill set has been well developed within Building Queensland. It may be getting brought back in-house but, referring to Nicola's point, what is that certainty and what is that structure? The department that is going to house the Building Queensland function still has to have a relationship with the other departments or they will still sit in silo, so it can be just the same. Once again, it is a review of the outcome we are all trying to achieve, and that is good outcomes for Queensland. We just need some certainty that abolishing Building Queensland is the right way to go. We would say that the consultation and the methodologies and, as Laurie said, some of the past information we have to hand would not say that it is.

**Mr CRANDON:** For the *Hansard* record, Chair, Ms Grayson was nodding quite a bit there in agreement with Ms Rawlings's comments.

CHAIR: Thank you for the editorial.

**Mr CRANDON:** That is all right. It would not be in *Hansard* unless you said something, Nicola, I am sorry.

**Ms Grayson:** No, thank you very much for that. I was indeed nodding in fierce agreement with Stacey.

CHAIR: Did you have something you wanted to add specifically to that, Ms Grayson?

**Ms Grayson:** Only to again say that I believe there are examples of where Building Queensland has rejected funding proposals, so if it was indeed all too little too late then there would not be examples on record of projects that did not proceed because of Building Queensland saying, 'No, we think there are better projects to back on the basis of the analysis conducted.' I would be happy to send through the names of projects that have been rejected by Building Queensland. I can take that on notice and provide those to the committee if you would like them.

**CHAIR:** We are certainly happy to accept anything. If it is not part of the submission we have a time line in terms of when we have to create the report, but if you have anything to add we will try to incorporate it in the report. There being no further questions, we will end this session. Thank you for appearing before the committee today.

### MORGAN, Mr Damian, Publisher Member and Consultant, Queensland Country Press Association Inc. (via teleconference)

**CHAIR:** Thank you for joining us. I invite you to make an opening statement, after which committee members will have some questions for you.

**Mr Morgan:** I am not terribly familiar with these proceedings, but in relation to the feedback that has been published, the comments I would make are about two key points. The issue around the discretionary nature is made out to be a positive. Choice is a positive. I guess the point we would make is that no-one makes these public notices by choice. The entire purpose of public notices regarding important decisions made by governments or mining companies or developers that impact the lives of ordinary citizens is that those notices need to be published in a public space. Given the choice not to do it and pay for doing it, it is pretty obvious what will be chosen. We do not see that as an asset; we see that as a liability. We see that as actually walking away from the long-held commitment to put these public notices in the public square.

The second point about government transparency and saying that there will be no issue with regard to transparency because the notices will be published on a website is really a follow-up to that first point. Putting it on a website in a public space does not mean people would want to go and see it. The tradition in this country is that important notices have been published in newspapers and people have a habit of looking for them, so if we were to publish it on a website with zero traffic on a government or in fact even on a news media website, none of them have public notices sections. The shift to digital journalism is paid-for journalism. It is not subsidised by advertising to the same extent, and for that reason the advertising is a much lower priority and these websites do not even have a public notices section. We have our own websites and they do not have public notice sections. We would say this is a very big step backwards with regard to putting important information in front of the people who need to see it, and the people who are most likely not to see this information are the most vulnerable—the ones with the least access via knowledge and resources to these places where the notices have been published—and we think on those grounds it is a disappointing proposal.

CHAIR: Thank you very much, Mr Morgan.

**Mr STEVENS:** Thanks, Damian. I really appreciate and understand your very good, insightful input into this particular piece of legislation. I would like to go further, if I may, on a matter you raised in terms of transparency. In your submission you raise concerns about the transparency surrounding sensitive government decisions and the risk of that information being notified online lets it get buried into a website, if you like. Would you elaborate on those concerns and possibly give some examples of where you believe that online advertising will disadvantage your communities?

**Mr Morgan:** Sure. Publishing information on a website is a very easy thing to do. The question of how many people and which people see it is the challenge. To be transparent, in the spirit of what we are talking about here, the intention must be to put that information in front of as many people as possible which is why, through history and indeed in all the other states it continues on, this information is put in the most visible place possible, which is in the local newspaper, so that would be the argument.

To go on a slight tangent, the driving force behind this argument in fact is that the minister stood in parliament and named a bunch of towns that no longer have the choice of publishing in regional newspapers, and he was wrong. Every single town he mentioned in parliament has a newspaper publishing there. There is a revival of independent newspapers in Queensland. That News Corp has stopped publishing newspapers in many markets does not mean there are not newspapers. In fact, the newspaper sector has more publishers in it than it has had in decades in Queensland. The independent newspaper sectors in Victoria and South Australia, for example, are very heavily supported by the state governments. I would argue that in part that is because they have been independent in their nature, or many more independents have been there, and there has been a lot more diversity and vibrancy. The fundamental argument that newspapers are no longer playing the role they once did, we would argue, is wrong. The information put forward to justify these decisions in parliament was clearly wrong.

To the argument that the information needs to be put in front of as many people as possible, we would say there is no better way of doing it than the way it has been done in this country and the way people expect it to have done: the well-worn habit of reading and looking for these notices in their local paper.

**Mr STEVENS:** Damian, in terms of these regional towns and their papers, would they have more readership of a local paper than, say, the big statewide papers such as the *Courier-Mail* or the *Sunday Mail*? Would the local readership be higher for the local papers distributed in communities?

**Mr Morgan:** Generally I would say the answer to that is definitely yes. I cannot speak accurately for the circulation of the *Courier-Mail* or the *Australian*. The anecdotal feedback from the newsagents who sell our papers and from other independents in those markets is that those agents sell a lot more of the local product in any one local town than they do of the state or national product.

**Mrs McMAHON:** Mr Morgan, I want to follow up on what the deputy chair was talking about. I know you have just given some anecdotal evidence about the majors versus the regional papers. Your submission is that there has been significant growth in the number of print publications in regional Queensland. In terms of those regional print papers, do you have any figures for us on circulation, frequency of printing or anything like that that the committee could consider?

**Mr Morgan:** To give accurate information I would need to take that on notice. Previously in many markets where there were daily papers, they have been replaced with a weekly paper. It is important to note that the weekly papers are typically much thicker. They are a weekly journal of record style newspaper, more like a *Weekend Australian* or a *Country Life*, which is the common model throughout other states as well. In terms of total reach of audience, again anecdotally I would say that we are reaching as good or better numbers. Importantly, those regional newspapers also have websites. They are not purely newspapers. They have websites and social media as well. It is just that by virtue of the fact that the digital platforms are better suited to daily updates or breaking news, printing a weekly review in the paper is the model that our business is pursuing and many are. We are still reaching as many people and perhaps more with the printed product, but we are supplementing it with digital.

Mr STEVENS: Chair, could we take on notice those numbers that Damian mentioned, please?

**CHAIR:** Mr Morgan, if possible, could you get back to us with some feedback on the number of print publications going out in those towns at the moment? Is that possible through your association?

**Mr Morgan:** Yes. We will certainly make the best effort to get as much information and as accurate as we can, yes.

**CHAIR:** We appreciate that. For it to be incorporated into our record, could we get that back by 5 pm on Thursday, 29 April? We will liaise with you as well.

Mr CRANDON: Thanks for that overview. Damian, can I pull together what you said towards the end? You started talking about not just the printed paper but also the digital and social media such as Facebook. Your argument is that, as far as getting the message out to more people, you can do a better job than just going to an electronic version. I was with one of my colleagues the other day and they received a phone call from one of the radio stations out west wanting them to comment on the fact that from 1 July several towns were going to have the *Australian*, the *Courier-Mail* and another newspaper that I cannot recall withdrawn from delivery, simply because it was costing them three or 3½ times more to deliver the paper than they received in payment for them. The comment from my colleague was, 'The good news is that each of those towns that is going to lose the *Courier-Mail* does have their own local newspaper.' Of course, you have made the good point that they also have the digital and social media versions. Are you saying that they would do a better job?

**Mr Morgan:** The reason I say that the print version does a better job of these public notices is that, generally speaking, digital journalism is funded by paid subscriptions from people buying journalism, if I can put it that way. It is less funded by advertising. There has been a tilt towards that, particularly with the national press. Therefore, when I go onto a digital service to read the news I am usually specifically chasing a news article or chasing the news. A newspaper is much more than that. The newspaper is predominantly news but it also has regular features like puzzles, TV guides, death notices and, very importantly, public notices that are a part of the habit of reading a newspaper. That is why through history as a people we have chosen that space to put important notices in front of residents. This is not a criticism of digital journalism; it is just highlighting the difference. For the purpose of actually getting public notices that people are not going to seek—will not know how to or are unlikely to seek out—putting it in front of them in the public square is best done in a printed paper.

**Mr CRANDON:** I was talking about it being a digital platform more so than people searching out digital news et cetera. You mentioned the digital and the social media. There would not be much of a further step for those local newspapers, as part of their business model, to make a commitment to publish all of those things on their digital networks as well as in the paper; would that be fair?

**Mr Morgan:** It would be as easy for them to do it as it is for the government. Ease is not the problem. The question is: who is going to read it? If your goal is to put it in front of people, which is what I understand the goal of public notices to be, there is a lot of content on websites but, to be blunt, that is not something that people will seek so it will fail in its endeavour.

**Mr PURDIE:** Damian, this might be a hard question to answer and it might even be a hard question to work out if taken on notice. Do we know what dollar value we are talking about? If these local publications are filling the void made when News Corp pulled out, do we know what sort of money they are getting at the moment from the current legislation and the advertising requirements and how much those little publications stand to lose?

**Mr Morgan:** It is a tough. I put it this way: it is not the predominant revenue; it is incremental revenue. However, we are in a world where delivering the important service of regional journalism is becoming increasingly difficult because of the fact that, as we have all heard, the rivers of gold have gone. The classified sections once were very lucrative for the corporates who owned them and that has gone. All revenue counts. Our argument is not necessarily that it should be about propping up regional newspapers; it is primarily around government transparency. I think it is reasonable to point out that other state governments—and I would point to Victoria, which committed an extra \$3.4 million, I think, or between \$3 million and \$4 million during COVID to advertise public notices in regional newspapers because they understand how important regional journalism is. In the spirit of government using regional newspapers for what they do well, I would say whatever revenue there is should be protected if possible for independent publishers.

**Mr TANTARI:** Damian, from an engagement and community penetration perspective, where there is no physical local newspaper in a community how do you think publishing and public notices in an online regional paper can be detrimental to community engagement?

**Mr Morgan:** Clearly it is not detrimental and if there is no choice then there is no choice. However, where there is choice—

**Mr TANTARI:** In a lot of situations, in some of the smaller communities and also some of the larger communities there actually are no local physical newspapers anymore.

Mr Morgan: Where are you referring to?

**Mr TANTARI:** There are a couple of places. For instance, I know a number of towns that used to have their local newspapers, particularly in the regional Wide Bay area, that no longer have a local paper.

**CHAIR:** Mr Morgan, we are not necessarily going into a debate here.

**Mr Morgan:** I did not mean to take the wrong tone; it was a genuine question. I allude to the fact that it was mentioned on the floor of parliament and a number of towns were listed and in every single case there is a strong regional newspaper printed each week—in every single one. I am not blaming anyone for thinking this. There has been a lot of media around the fact that regional newspapers are dying. That is something that we address day in, day out in the marketplace. However, the truth is not that. The truth is that, like all traditional media, the model has changed since the internet has come along, but readership has not been the problem. The biggest problem has been that loss of advertising revenue that has made funding journalism difficult.

To go to your specific point, there are very few major towns—and there is not one that I am aware of in Queensland—that does not have its own regional newspaper. Many of those towns service the satellite centres around them, which they have done in the past. The argument that there is no choice, I think, is one that we need to really scrutinise because I would say it is without basis.

**CHAIR:** As there are no further questions, we thank you very much for your appearance here today. It would be great to get the feedback that you agreed to provide by 5 pm on Thursday, 29 April to ensure we have time to incorporate it in our report.

Mr Morgan: Thank you for the opportunity.

Proceedings suspended from 12.27 pm to 12.50 pm.

#### DALE, Dr Brett, Chief Executive Officer, Australian Medical Association Queensland

**CHAIR:** Thank you for joining us today. I invite you to make an opening statement, after which committee members will have some questions for you.

**Dr Dale:** Thanks for inviting AMA Queensland to present to this public briefing on the proposed amendments contained within the Debt Reduction and Savings Bill 2021. AMA Queensland will only be commenting on the proposed technical amendments within the Debt Reduction and Savings Bill which relate to the Medicines and Poisons Act 2019. There are three proposed amendments which AMA Queensland support. They are: the disposal of waste from diversion-risk medicines; changes to the Queensland regulation in relation to tattoo ink; and the supplying or administering of medicines for agents or carers under section 51.

Firstly, in relation to the disposal of waste from diversion-risk medicines, AMA Queensland agrees with the proposed amendment, as monitored medicines are regularly diverted for illicit use in Queensland which represents a serious risk to public safety. We also support the penalty provisions associated with these amendments.

In relation to changes to the Queensland regulation for tattooing ink, our concern is that tattoo ink may contain substances harmful to health when used for tattooing and could cause serious harm to Queenslanders. The two recommendations AMA Queensland have made are: firstly, that there be a six-month moratorium before compliant analysis certificates become mandatory; and, secondly, that there be a communication campaign, which is most important, for the general public and industry to inform them of their obligations and the protections afforded with that compliance.

I want to next talk about supplying and administering medicines for agents or carers. This amendment, which relates to carers administering or supplying medicines, is generally supported by AMA Queensland; however, we do have concerns with some of the proposed amendments. Firstly, AMA Queensland is concerned that the proposed amendment allows Queensland Health to outsource the monitoring responsibilities associated with the medicines database to third parties. This provision implies that Queensland Health will no longer be responsible for monitoring of the database, including the enforcement of penalties for breaches of the act. AMA Queensland cannot see how outsourcing this essential task will strengthen the operations of the database nor reduce the level of intentional and unintentional harm from some of the S4 and S8 medicines in Queensland.

I turn to the amendment relating to practitioners being required to check the monitored medicines database. AMA Queensland agrees that this amendment clarifies which practitioners are required to check the monitored medicines database. We still have concerns about how practical this requirement will be for medical practitioners working in residential aged-care facilities and accident and emergency departments and/or doing ward rounds in public and private hospitals. The requirement to log into the database for all patients who require a monitored medicine does seem impractical in facilities where patients are under the direct care of health professionals.

I turn to the amendment relating to extended practising authority, which relates to sections 232 and 233. AMA Queensland agrees with this amendment except for the section which provides authority for a regulated substance to be carried out under direction or supervision of an approved provider. AMA Queensland believes only approved providers should prescribe and/or dispense regulated substances.

Finally, I go to the amendment relating to authorisation of prescribed classes of persons under section 54. While AMA Queensland supports the proposed amendment, we are seeking clarification from Queensland Health with examples about the circumstances which would allow a regulated substance to be provided under direction or supervision supported by extended practice authority from the appropriate head of power. That concludes my brief. I am happy to take questions.

**Mr STEVENS:** Dr Dale, my question relates to the tattoo ink issue. In relation to the proposed amendment you alluded to in your opening address regarding tattoo ink, why does AMA Queensland recommend a six-month moratorium for tattoo artists before compliant analysis certificates become mandatory? What will that six months do that will not be done by initial approval?

**Dr Dale:** I guess it takes into consideration the fact that industry needs to prepare for this, so we were attempting to be reasonable. We think in the longer term it is definitely where it needs to go. If you run concurrently an education program—which is our second recommendation and the most important one—we think that time period would allow for that education to consumers and industry to know what the expectations are.

**Mrs McMAHON:** Dr Dale, I note you are seeking clarification relating to section 54, which is in relation to authorisation of prescribed classes of persons. Have you had the opportunity to read the department's response to that, particularly with the example of the pharmacy assistants?

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**Dr Dale:** That is one we would definitely oppose. What we are seeing across the state is that, when we talk about extension of scope and powers being delegated by relevant authorities and credentialing bodies, they are not doing it on the basis of need. If you were in communities where those professions did not exist, we would tend to support those recommendations. The reality is that across metropolitan areas we have on hand clinicians who are qualified to prescribe and dispense but we have allied health professionals doing it. We believe it compromises the health of patients, particularly where there is an oversupply of those particular qualifications in and around metropolitan areas.

Mrs McMAHON: And outside of metropolitan areas?

**Dr Dale:** It is based on demand. We would support it with appropriate training and supervision, but the reality is that the examples we have been provided are day-to-day practices in well-resourced, built-up areas. That does not lead to best health outcomes nor optimum health care. It is done at levels of care. Queensland Health have given the undertaking that their aspiration is to have everyone working at the highest scope of practice. We completely support that, but when you jump outside of that practice and compromise patient safety on the basis of cost savings or waiting periods they are addressing it in the wrong way.

**CHAIR:** Thank you very much, Dr Dale. We appreciate the technical nature you bring to these proceedings, which obviously many of us do not have as we are not medical professionals. We thank you and the association for your feedback.

Dr Dale: Thank you, Chair.

CAIRNES, Mr Alexander, Head Consultant, Australian Tattooists Guild (via videoconference)

EDWARDS, Ms Tashi, Vice-President, Australian Tattooists Guild (via videoconference)

ELDRIDGE, Mr Brenton, New South Wales State Representative, Professional Tattooing Association of Australia; Administrator, New South Wales and Queensland Licensed Tattooists Group

HAYES, Mr Mick, Protat Professional Tattoo Supplies, Australian Tattooists Guild (via videoconference)

LLEWELLYN, Mr Christiaan, National Treasurer, Professional Tattooing Association of Australia; Founder, New South Wales and Queensland Licensed Tattooists Group

**CHAIR:** Good afternoon. Thank you all for joining us today. To assist with our videoconference witnesses and members of the public watching online, I would like to ask all of our hearing participants, including committee members, to please identify yourself by name when speaking, particularly when doing it for the first time. I hope you are not offended if I interrupt you to establish who is speaking for the purposes of Hansard and broadcast. I now invite opening statements, which will be followed by some committee questions.

**Mr Llewellyn:** Thank you, Chair, and thank you committee. I would like to begin by introducing myself. I am Christiaan Llewellyn, national treasurer of the Professional Tattooing Association of Australia, the PTAA, and founder of the New South Wales and Queensland Licensed Tattooists Group. I hold a bachelor degree in commerce, a postgraduate diploma in management and a masters degree in business administration but, more importantly, I am a small business owner and a second-generation tattooist with over 30 years of working hands-on in the Australian tattoo industry. My colleague Mr Brenton Eldridge is the New South Wales state representative for the PTAA, also a business owner and tattooist of over 25 years and has also served our great country as a proud veteran of our Defence Force.

We sincerely thank the committee for the opportunity to attend this hearing and give evidence on behalf of our members. We have come here today from New South Wales in an unpaid capacity to voice our well-qualified and very strong objection to the proposed amendments to the Medicines and Poisons Act 2019 in Queensland in relation to tattoo pigments.

Every tattooist I have spoken to over my extensive career puts the health of their clients and the general public as their No. 1 priority. No-one wants to tattoo with unsafe pigments. However, the proposed amendments to the act via the Debt Reduction and Savings Bill 2021 are definitely not the way forward. This proposal puts the onus of pigments on artists, who could face huge fines, and not manufacturers as there are no Australian manufacturers. It will cause immense economic harm and increased health risks not only to the Queensland tattoo industry but also to the general public of Queensland. Our informed judgement is that overseas pigment manufacturers are extremely unlikely to incur the costs to conform and continuously update the Queensland compliant analysis certificate as the Queensland market is relatively small in global supply terms, leaving Queensland tattooists with no ink to legally tattoo with.

It is a fact that professional tattooists only buy reputable brands from established, reliable supply companies. The pigment manufacturers rely heavily on their reputation for being safe and stable. They are already regulated in other territories. They supply material safety data sheets, batch numbers, ingredient lists and expiry dates. So far, our feedback has been that they are not even aware of the current proposal as most of their Australian distributors are also totally in the dark over this situation. Three of the largest suppliers—Brett Stewart, Justat and Tatsup—had no idea until I contacted them, demonstrating the need for more consultation with these stakeholders and their product manufacturers before this action should be undertaken. No departmental standard has been produced to them or to any major stakeholders. Legislating penalties for tattoo artists for noncompliant pigment as part of the first step just does not make sense, nor does the massive effect on the growing cosmetic tattoo industry. Also, stating that manufacturers are to make some of this information compulsory on their websites will infringe upon their intellectual property by giving away trade secrets, thereby enabling their recipe to be reproduced.

The honourable the health minister made a statement that this is a proactive measure to protect the health of Queenslanders, but where is the empirical scientific data over a prolonged period proving that tattoo pigments harm the public health? Where is the justification for imposing a measure that could push one of the most heavily regulated tattoo industries in the world completely underground? If you are serious about being proactive in protecting the public health, stop tattoo supplies getting in the hands of the growing plague of backyard operators. Increase funding to prosecute those tattooing illegally—not force the whole industry to tattoo illegally. Educate Queenslanders as to the dangers of getting tattooed in unsafe environments, and that includes travelling to countries with lower health standards than our own.

Personally, I have extensively read the available research data on pigment safety and I have not found anything I would not put into my own body or the bodies of family members that could harm our health. My father is still tattooing. He is one of the most prolific tattooists on the planet. In his over-50-year career, he is yet to hear of anyone having a serious health issue due to tattoo pigment. His experience is consistent with that of many others.

It is also my understanding from reading an article of referenced research from Dr Gerald Prior titled 'Tattoo Inks: Legislation, Pigments, Metals and Chemical Analysis' that the resolution ResAP 2003(2) and ResAP 2008 in Europe are 'only recommendations and not legally binding'. Nevertheless, manufacturers use the limits mentioned in ResAP 2008(1) as a minimum standard. However, it was also pointed out that these ResAPs are missing analytical methods and that, because of this lack of information, it is unclear what the limits mean and what they actually refer to. Another piece of data from Dr Gerald Prior's research was that the amount of nickel left in the skin from the tattoo process was less than drinking a cup of water in Germany or eating a commercially made apple. I can provide links to these articles upon request.

In reference to the responses to our submission, I raise the following points. There was still no reliable scientific data demonstrating pigments were causing public health issues that warrant these amendments in Queensland. The USA and EU were mentioned. Both of those territories are taking the following approaches: the FDA is monitoring pigments in the USA and, as I stated, the ResAPs are recommendations and have not been legally enacted by a majority of EU member states. Further to this, if in any discussions the Australian Tattooist Guild has initiated, supported or agreed in any way that this departmental standard has the support of tattooists, I challenge them to produce this data. We have conducted research and feedback and have not been able to find one tattooist outside of their committee who supports these measures.

It is ironic that the proposal falls in the Debt Reduction and Savings Bill 2021 because, if enacted, it is going to surely cost a lot of money to enforce because the ink comes from overseas. There are no Australian ink manufacturers. The proposed section 48A of the Medicines and Poisons Act 2019 will need to be repealed due to its probable practical failures.

Finally, we urge you to invest your time in much broader consultation, rather than implementing new laws that are currently impossible to comply with and that put further unnecessary burden on tattooists and small business owners.

People will always get tattooed. Please allow them to do so in safe, professional studios in Queensland by licence holders who have already had to gain cross-contamination infection control certificates, had their fingerprints and palm prints taken and are also inspected by Queensland Health, Queensland police and their local councils.

**Ms Edwards:** On behalf of the Australian Tattooists Guild and its professional members, I would like to thank the chair of the Economics and Governance Committee, Mr Linus Power, and the panel for inviting our organisation to appear today to provide further information regarding the proposed amendments within the Debt Reduction and Savings Bill 2021. Our input is directed specifically to amendments to the Medicines and Poisons Act 2019, section 48A, which outline compliance measures to accompany a proposed departmental standard for tattooing, currently being developed by the Queensland state health department.

I would like to introduce my colleagues: Mr Alexander Cairnes, lead consultant within the ATG committee, senior tattooist of 15 years and owner of Lighthouse Tattoo studio in Sydney, New South Wales; and Mr Michael Hayes, owner of Protat Tattoo Supplies for 23 years. Protat is Australia's largest and most respected professional supply outlet. My name is Tashi Edwards and I am the vice-president of the Australian Tattooists Guild, senior tattooist of 17 years and owner of Green Lotus Tattoo Studio in Melbourne. Combined, we represent over five decades of experience within the profession.

This inquiry, and the proposed amendment to the Medicines and Poisons Act it addresses, is of great concern to the Australian professional tattooing community. Tattoo artists are aware that regulation developed by one state has the potential to be adopted nationally and therefore we must give our attention to all details of the process of the development of any legislation that has the potential to impact the collective. As such, we are thankful for this opportunity to consult with you today.

The ATG takes the health and safety of our diverse community very seriously. We clearly recognise the concern around ink safety and consumer confidence. It should be noted that all inks currently being utilised by professional tattoo artists within Australia are being manufactured by companies within the European Union and the United States of America who are required to adhere to testing regimes under ResAP (2008) in order to enter the EU market. These inks are labelled with an expiry date and ingredients on each bottle sold, including colour index numbers which are the international standard of recognising the chemical composition of any pigment, dye or colourant.

As members of this panel may be aware, the draft of the department's proposed standard has been delayed, with its scheduled release date of 19 April now being postponed to an as-yet-unconfirmed date. This situation presents a number of challenges to our organisation such as not being able to clearly evaluate and respond to proposals for compliance, penalties and other measures. There have been numerous changes to the proposed standard during the course of our interactions with the Queensland health department over previous weeks which has created challenges for an industry body whose role is to transparently convey information and updates to both our members and the broader community before making recommendations during any process of consultation with government agencies.

Our most recent discussions with Mr Tim Edwards, senior environmental health officer, Queensland Department of Health, revealed the current view of the department—the requirement for suppliers within Australia to provide a certificate of analysis of every bottle of ink sold into Queensland—was based on the directive of the European council as is outlined in both ResAP (2008) and amendment ResAP (2020). This directive maintains that all manufacturers within the union have a chemical analysis certificate for each batch of ink they intend to manufacture and release on the market. Despite numerous conversations between the department and our organisation regarding the probability of this proposal, we have been unable to influence the department's view on this topic.

Mr Hayes, owner of the biggest tattoo supply company in Australia, has also facilitated dialogue with the department and has substantiated these concerns. As is outlined within our organisation's submission to the inquiry, the requirement for all suppliers and industry participants to have access to a compliant analysis certificate for each bottle of ink sold or held for use is simply unachievable due to the fact that CACs are not readily available. The reasons for this are complex and include issues of jurisdictional compliance and inconsistencies within individual testing regimes in the country of origin.

Whilst our organisation can present information regarding this topic, it would seem to be outside the scope of this inquiry to assess the responsibilities of stakeholders outside of Australia. Research done by our organisation clearly substantiates that the certificates are not readily available and/or are often out of date for a substantial number of tattoo inks across various manufacturers that export to Australian and European professional tattoo suppliers. There are no domestic manufacturers of tattoo ink and, as such, all tattoo ink used in Australian professional tattoo studios is imported by Australian suppliers. The proposed requirement for suppliers to display on their website a current CAC for every batch of ink sold places an unnecessary and unfair burden on a small business that will be tasked with chasing down certificates that are not readily available from manufacturers.

There are also serious questions around what value a CAC has for industry participants and consumers. As we have outlined within our submission, certificates of analysis are complex documents which require thorough knowledge of methodology of analysis and intimate understanding of chemistry used within them. If an industry participant is required to be reasonably satisfied that the CAC exists, regulators also should be held to be reasonably satisfied that the requirements they impose on an industry hold value and purpose within them.

The health department has assured our organisation that no amendments shall be passed which have the potential to damage the industry and negatively impact its stakeholders. It has also been suggested by the department that any amendment which is not reasonably workable for industry participants can be reviewed and amended at a later date. In light of the information now being presented by our organisation and that of our colleagues within the PTAA, it would seem reasonable Brisbane

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and quite poignant that the in-depth consultation required to ensure a fair and workable solution for the industry occurs prior to enacting any amendments, thus reducing the cost and time of the department and that of the parliament.

We are hopeful our input today can inform this panel and that a greater understanding can be gained around the workings of the professional tattoo industry, and we hope that this shall influence policy choices moving forward in a positive and substantial way. Thank you very much.

**Mr STEVENS:** Christiaan, your submission is that what is proposed is actually impossible to comply with. Can you elaborate on that statement? How does that affect the industry in going perhaps underground? Can you explain the possibility and the ramifications of that as an outcome of this piece of legislation?

**Mr Llewellyn:** Certainly. The penalty is, I believe, well in excess of \$6,000 per bottle of ink and you are expecting a tattooist to be responsible for a certificate that they cannot access. Queensland is quite a small market for overseas ink manufacturers. If they have to comply with something and it is quite expensive for them to do so, they are just not going to sell into the market. That will leave the tattooist with no pigment. If they cannot operate with any pigments without getting fined \$6,000 per bottle, they will just go and tattoo unprofessionally in backyard operations.

Mr STEVENS: I understand. Why do we not have any manufacturers in Australia?

**Mr Llewellyn:** I cannot answer that. **Mr STEVENS:** Can anybody answer it?

**Mr Hayes:** To be honest with you, we have enough good ink manufacturers overseas. It has never really been an issue for us to have one here. That is all.

**Mrs McMAHON:** Christiaan, the submission makes reference to the fact that there are inferior tattoo inks available online and to e-commerce, and you referred to the dodgy operators and people who have a crack at it themselves. What processes or practices are in place in Queensland within the professional tattoo industry to give consumers confidence that when they walk into a tattoo parlour here in Queensland the inks being used by that artist in that business have been sourced appropriately versus what can be obtained via various untracked and unsafe means?

**Mr Llewellyn:** We are a reputation based industry. You are only as good as your last tattoo. If you start tattooing with substandard pigments or you try to cut costs by not ordering from professionals such as Mick or Brett Stewart Tattoo Supplies, you are running the risk of going out of business pretty quick because the word will spread really fast.

**Mrs McMAHON:** If a customer comes in and asks for some type of verification or certainty around the quality of the product, what is the average tattooist able to provide?

**Mr Llewellyn:** As stated by Tashi, as well as our organisation, there are material safety data sheets available. We can point them in the direction of that. We can also point them in the direction of the pigment bottle that lists the ingredients on it. We can also show them the expiry dates on the bottles. There are batch numbers. The FDA is monitoring pigments quite heavily, so when there is a problem the FDA issues a recall on that product. The batch number is put out and industry bodies such as ourselves and the guild—and with the power of social media amongst artists—can check those batch numbers quite quickly. If we are found to have one, you recall it, you pull it off the shelf and you throw it away.

**CHAIR:** Mr Hayes, is there anything you would like to add in response to the member for Macalister's question about people getting ink off the internet or from other sources and not through regular channels?

**Mr Hayes:** Not really. It is quite simply just eBay. We know where they come from. They are Chinese made and they can look like our inks; they are quite good copies of inks. We only deal with professional artists—even on our website we keep to that—and that goes some way to control that issue. That is about it at the moment.

**Mrs McMAHON:** You indicated that in Queensland you are a very overregulated and overburdened industry in relation to health and compliance. Could you outline, say on an annual basis, what types of visits or inspections the average parlour might expect from either Queensland Health or other regulatory bodies to ensure compliance with the various different bits and pieces?

**Mr Llewellyn:** It is my understanding that local councils have their own stipulations upon the DA of the premises and they do a local inspection. Queensland Health do their annual health audits and they have a checklist that is quite thorough. Industry has been quite involved over a very long time to show what our practices are. Cross-contamination infection control is covered by a certificate Brisbane

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here in Queensland. It is not in other states, but up here it is. Then you get the police come through to check financial records and logbooks. As far as health goes, it has been reported back to us that the police have also done random spot checks on certain aspects of the Health Act, which is quite unusual, but they have been doing that as well. You have three different bodies all looking out for it in the professional studio.

Mrs McMAHON: They would be on-site visits in most cases?

Mr Llewellyn: Yes, of course.

**Ms Edwards:** You have to remember that Queensland is licensed under the Tattoo Industry Act 2013 and that the record-keeping requirements under that act are really quite stringent. There are requirements to keep information about which tattooist does which tattoo, their licence number, when it was done and how much the tattoo cost. That includes information that is required under the Public Health Act, where we need to keep client consent forms or client information forms for seven years. On that form you include all of the details of the client, and batch numbers and needle expiry dates are often kept on those sheets as well.

I think it is fair to say that there is a large burden of compliance upon tattooists to ensure they are recording the details of not only the client who is in the studio but also what is going on in the studio with regard to sterility. Autoclave records have to be kept under the Public Health Act, so there are all types of information kept within the professional studio that should give regulators surety and confidence. Our organisation—and I think I can speak on behalf of the PTAA as well—has not seen any type of data or information which really substantiates a reason to move forward with this type of regulation.

**Mr CRANDON:** I have a few questions coming from all of the responses we have received. This may be difficult, but can you quantify what percentage of the market we are talking about in terms of backyard operators? I am talking about Queensland, but if it is only available on a national basis—

**Mr Llewellyn:** There is no quantitative analysis undertaken so it would be a guess at best. The feedback we have received is that since COVID-19 there has been a surge in tattooing due to the fact that a lot of people are not travelling to Bali and Thailand to get tattooed, so that is one place where the health standards I referred to are not quite up to the same health standards that you have in Queensland. In terms of backyard operations, it is very difficult to quantify. It is a growing concern for public health and it seems to be getting more and more popular because people are advertising their tattooing through social media outlets including Gumtree, eBay and other outlets for supplies. Backyard operators have easy access to these supplies.

**Mr Eldridge:** In relation to backyard operators, it needs to be taken into consideration that health regulations, licensing acts—whatever—do not apply to these people and they are not enforced whatsoever. They are only applied to professional tattooists who are registered, pay their fees and register with council. These people are operating, and nowhere in the licensing legislation is it discussed apart from saying it is now illegal. There is no compliance or enforcement being applied to that sector at all.

**Mr CRANDON:** You mentioned earlier that there are recalls from time to time on certain batch numbers. Does that happen very often?

**Mr Llewellyn:** No, it is not very often at all. The FDA is quite stringent and they are monitoring the situation. The majority of our pigments come from the USA, so they have an authoritative approach to monitoring and they publicise these quite widely. The manufacturers themselves will get in touch with their suppliers.

**Mr Hayes:** In the 25 years we have been dealing I think there has been only one recall. Even then, it did not end up being actual properly made inks; it was eBay inks. It is a very rare incident.

**Mr CRANDON:** Is there anywhere else in the world that any of you are aware of that requires certification?

**Ms Edwards:** When we look at countries that have chosen to adopt the ResAP directives—and currently there are 13 countries in total within the union—when we break it down, the directives in each country have been adopted and melded with various pieces of existing legislation, so there is no uniformity in the way that is being laid out. What we do know, however, is that there is not a single one of those countries that have adopted the directives that is putting the requirement on the tattooist to take responsibility for having a CAC.

When we look at compliance across the board, we know that under ResAP there are countries that require manufacturers to produce the CAC; however, when it comes to the supplier sourcing that it is just not available. At the moment it is a fact that we have a licensing regime, a Public Health Act and a probity based positive licensing regime where the licence is determined by your criminality versus your competence. I do not think you will find that anywhere else in the world. What is happening in Australia is a very unusual situation. To see a health department now move forward with these proposals of compliance—which by extension, as Chris rightly said, makes the tattooist responsible for what comes into the country—is just really quite out there.

**Mr CRANDON:** Mr Hayes, why can't you arrange the certificates? You are the one bringing these goods into the country. Why can't you negotiate with your suppliers to arrange these certificates and then for you to pass those certificates on to the people in the industry who are buying ink from you?

**Mr Hayes:** Over the last five years we tried to conform to that, and on our website we have as many of the certificates as we can get. Unusually, to my knowledge it seems that the certificates can be outdated by six months to up to a year while they wait for it to be certified over in the EU, so they are always late. They seem to be outdated a bit. The manufacturers are not overly keen with the Australian market. They are a little bit wary of us with all of these things happening with our jurisdiction and the way we are doing things at the moment. It concerns them a little bit, because we are a very small market in terms of what they can give us and what they have available, even for them. We have been working very hard to make sure they are all in date.

**Mr CRANDON:** Once the inks arrive in the country, you distribute them to various tattoo artists in different states. Has there been a case of anyone adding their own little concoctions to the ink to differentiate themselves? Is there any indication that people are tarting it up—

**CHAIR:** Post-factory blending or adding? **Mr CRANDON:** Yes, that type of thing.

**Mr Llewellyn:** To my knowledge, no tattooist I know does anything other than possibly cross-blending as they are doing a piece. That is why they tend to stick to one brand. They might have a flame, for instance, where they are colouring red to orange to yellow and they may dip between the red to blend the orange to the yellow as is artistically desired. In terms of actually physically pouring stuff into bottles, I am not aware of that ever happening in my 30 years of experience.

**CHAIR:** Both products regular commercial inks?

Mr Llewellyn: Yes, of course.

**Mr TANTARI:** Ms Edwards, can you explain why in your submission you suggest that a three-year lead time would be needed for the implementation of the proposed departmental standards and any accompanying compliance regulations?

**Ms Edwards:** The point was made that, if our consultations are not concluded and our submissions are not clearly understood, the department (inaudible) any type of compliance, then the industry is going to need more time to continue to campaign to try and change it. The reality is that these certificates are just not available. We have also had assurances from the department that if it is not workable or achievable then it can be changed, which seems like a rather backward way of doing things. It is really very concerning.

I think Queensland Health is going to have to put in a lot of energy and money into educating tattooists in how to understand certificates of analysis. Surely there is a reason for making this a compliance measure. What is the value in it for the tattooer? There is no value in it for the tattooer. All the tattooer wants to know is what the ingredients are, that it is safe, that the expiry date is there and that it is compliant. I would submit that giving an individual a large list of chemical analyses is not helpful for anybody. The CACs are available; they are just not available (inaudible) government would like them to be. Does that answer your question?

Mr TANTARI: You did break up a little bit, Ms Edwards, but that is okay.

**CHAIR:** Ms Edwards, you said that the certificates are available, and then you broke up a bit towards the end. Did you say they are available at the level of the supplier?

**Ms Edwards:** Certificates are not available at the consistency to make it a compliance measure. Mr Hayes was asked why he did not make sure they were available. It is not actually Mr Hayes or the supplier who ensures that; it is the manufacturer in the country of origin who produces that certificate. I am simply stating that they are obviously produced at some stage if compliant ink is to be made available in the EU market. However, as Mr Hayes clearly outlined, sometimes they are Brisbane

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not available from the CTL company or the lab that produces them until six months after the ink has been found to be compliant and is on the market. That is what we are trying to convey. They are produced but they are just not available; therefore, to make it a measure of compliance is just unachievable.

**CHAIR:** Ms Edwards, do any of the 13 countries that are putting legislation in place about the ResAP ink certification process require that inks that are produced have those certificates of analysis?

**Ms Edwards:** I am quite sure they do. Absolutely they do. There are manufacturers that are manufacturing in countries with those requirements, but how the compliance works around that or how it works within those particular countries I have absolutely no idea. I am not responsible; nor is this inquiry. The Australian government is not responsible for what happens in other jurisdictions. We can only point out that, as a factual statement, you can jump on the CTL website and click on the individual pigments and their batches, and at least six or seven times out of 10 you will find that the certificate is not current. Why that is or who is policing that at the other end, I have absolutely no idea.

**CHAIR:** Mr Llewellyn, obviously getting a significant tattoo, especially from a high-quality tattooist, is a reasonably large investment.

Mr Llewellyn: Yes.

**CHAIR:** When people make that decision, they want to have confidence that the tattooist has the skill—they can make a judgement at an artistic level about that—but they also want to ensure the ink has longevity and will not fade or run and is going to be safe. Would it not enhance professional tattooists if there was knowledge they were using something that had certificates to ensure they were both safe and of high quality?

**Mr Llewellyn:** As I stated, artists want to use reputable products. They want the best, safest and most stable products out there. A lot of our knowledge is gained over time. When we tattoo with a pigment, we can see how that pigment lasts. Established brands are continually lifting their standards. A lot of professional artists do not use a pigment brand that is brand new to market. They tend to stick with the established brands that have been working with regulators in their particular territory to enhance their reputation. Of course all artists, as I stated, want to use safe pigments. The crux of the whole argument here is that we have a judicial system based on the fact that you are innocent until you are proven guilty. What we are looking at here is a situation where the tattooists are trying to prove that the pigments are safe, but no-one has proven they are harmful.

**Mr Cairnes:** Anecdotally, the question is almost never asked by customers so the assurance is in the body of their work. The reputation of an artist is all of those things. Consumers want all of these things to do with the quality of the tattoo as well as the quality of the pigment. They have a vested interest in making sure that all of these things are to as high a standard as they can get. It will quickly come back to them if it is not—which it does not. It does not come up.

**CHAIR:** It probably does not help the first group of people who have tattoos with that artist, though. A different way to put it is: when someone is considering going to an artist who is using inks that come off the internet of unknown provenance, unknown manufacture, why would you recommend you do not use them? What language would you use?

**Mr Cairnes:** Honestly, I think that is probably more a question for Mick. The fact is that, as Chris was saying about the established brands having a reputation for quality in terms of the artistic outcome, there are no anecdotal examples that come back. I just think there is no incentive to use other inks. When you can choose a more sure option for quality and safety, you will do that. That is already happening. We already by proxy get the benefits of the standards in Europe without having to enforce them at the artist level and make them liable. We do not have to share that liability; we are already getting the benefit of that standard without having to enforce it at the artist level. In terms of a message to encourage people not to choose it, for a professional tattooist it is choosing a reckless unknown. There is no need to do it.

**Mr Llewellyn:** As I stated, the reputation of the artist is paramount, but the reputation of these pigment manufacturers is even more paramount for them. You have a tattoo industry that has been evolving quite rapidly over many decades now, and the feedback between artists and pigment manufacturers and artist to artist is even more increased because the world is a lot smaller. Artists talk amongst themselves in groups on social media across many different platforms. Instagram is huge for tattooing. The feedback that artists give these ink companies has been going on for a very long time. If a pigment comes out and there is a problem with it, pigment manufacturers know from artists' feedback almost instantly that there is a problem and they develop it. It has been an ongoing process for many decades now.

I guess what I am trying to say is that established brands are what the majority of professional artists use. It is extremely difficult for a new pigment manufacturer to come into the market. That is probably the reason we do not have them in Australia, because it would be so hard to bring your brand to market when there are already established, good quality products that have stood the test of time. As I said, my dad has been doing this for 50 years. No-one has come back to him and had a serious health problem with a tattoo pigment. You cannot say that in many industries.

**CHAIR:** There being no further questions, we will end the session. Thank you for appearing to assist the committee today. Thanks especially to all of the people who have participated in today's hearing. Thank you to our Hansard reporters and parliamentary broadcast staff for their assistance. A transcript of these proceedings will be available on the committee's parliamentary webpage in due course. I declare this public hearing closed.

The committee adjourned at 1.51 pm.