ECONOMICS AND GOVERNANCE COMMITTEE

Members present:
Mr LP Power MP—Chair
Mr RA Stevens MP (virtual)
Mr MJ Crandon MP (virtual)
Mrs MF McMahon MP (virtual)
Mr A Tantari MP (virtual)

Staff present:
Ms J Langford—Committee Secretary
Ms M Salisbury—Assistant Committee Secretary

PUBLIC BRIEFING—INQUIRY INTO THE APPROPRIATION (PARLIAMENT) BILL (NO. 3) 2022 AND APPROPRIATION BILL (NO. 3) 2022

TRANSCRIPT OF PROCEEDINGS

THURSDAY, 20 OCTOBER 2022

Brisbane

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The committee met at 10.00 am.

CHAIR: Good morning. I declare open this public briefing for the committee's inquiry into the Appropriation (Parliament) Bill (No. 3) 2022 and Appropriation Bill (No. 3) 2022. I respectfully acknowledge the traditional custodians of the land on which we meet, the Yuggera-speaking people, and pay our respects to elders past and present. It is an extraordinary place we live in, and we recognise the cultural heritage of the people who lived on this land before us.

My name is Linus Power. I am the member for Logan and chair of the committee. Other members of the committee, all joining us via teleconference, are: Mr Ray Stevens MP, the member for Mermaid Beach and deputy chair; Mr Michael Crandon MP, the member for Coomera; Mrs Melissa McMahon MP, the member for Macalister; and Mr Adrian Tantari MP, the member for Hervey Bay. Mr Dan Purdie MP, the member for Ninderry, is an apology.

The purpose of today's briefing is to assist the committee with its inquiry into the Appropriation (Parliament) Bill (No. 3) 2022 and the Appropriation Bill (No. 3) 2022. The briefing is a proceeding of the Queensland parliament and is subject to the standing rules and orders of the parliament. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath, but I remind witnesses that intentionally misleading the committee is a serious offence.

I remind members of the public that they may be excluded from the briefing at the discretion of the committee. I also remind committee members that officers are here today to provide factual or technical information. Any questions seeking an opinion about policy should be directed to ministers or left to debate on the floor of the House.

The proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed during the proceedings. Images may also appear on the parliament's website or social media pages. I remind everyone to please turn their mobile phones to silent.

MOLLOY, Mr Dennis, Deputy Under Treasurer, Economics and Fiscal, Queensland Treasury

NEWBY, Mr David, Director, Financial Reporting, Queensland Treasury

RYAN, Mr William, Head of Fiscal Policy, Queensland Treasury

SIEBER, Ms Tracey, Fiscal Reporting Manager Actuals, Queensland Treasury

TOMPKINS, Ms Helen, Principal Financial Accountant, Queensland Treasury

CHAIR: Good morning. Thank you for agreeing to brief the committee today. I invite you to make some opening comments, after which committee members will have some questions for you.

Mr Molloy: Good morning, Chair and members of the committee. I would also like to respectfully acknowledge the traditional owners and custodians of the land on which we meet today. Thanks for the opportunity to be with you and to discuss these bills. I have quite a brief introductory statement.

On 14 July 2022 the Governor in Council authorised unforeseen expenditure incurred during the 2021-22 financial year of $2,825,309,000. Parliamentary approval for the unforeseen expenditure is now being sought, which is comprised of $2,185,000 for the Legislative Assembly and Parliamentary Service and $2,823,124,000 incurred by 14 other departments.

Unforeseen expenditure is expenditure from the Consolidated Fund above the amount approved via appropriation bills, which are introduced annually with the budget. Pursuant to the Financial Accountability Act 2009, unforeseen expenditure may be authorised by the Governor in

Council on the recommendation of the Treasurer. However, as the Constitution of Queensland provides that amounts can only be paid from the Consolidated Fund under an act, unforeseen expenditure must also be formally approved by parliament via appropriation bills.

The total unforeseen expenditure of the two bills of $2,825,309,000 represents 4.4 per cent of the 2021-22 budgeted appropriation. It is also noted that 12 departments also had lapsed appropriation totalling $916,814,000. The net impact of unforeseen expenditure and lapses, or the total appropriation, for 2021-22 was $1.908 billion more than originally approved.

A department that incurs unforeseen expenditure has needed more appropriation than was originally approved as part of the budget, and this may occur for a number of reasons. For example, a department may need additional appropriation to respond to emergent issues or implement government policy, or it may be due to a change in timing of Commonwealth payments or project delivery. Therefore, unforeseen expenditure is not the same as departmental overspending. It is important to understand the reasons for that and for the additional appropriation. I am sure we will be talking about some of those today.

The Appropriation (Parliament) Bill (No. 3) 2022 seeks parliamentary approval of supplementary appropriation for unforeseen expenditure incurred by the Legislative Assembly and Parliamentary Service in the 2021-22 financial year of $2,185,000. The unforeseen expenditure incurred by the Legislative Assembly and Parliamentary Service was primarily due to additional funding for enterprise bargaining outcomes and speech recognition technology for parliamentary proceedings.

The Appropriation Bill (No. 3) seeks parliamentary approval for supplementary appropriation for unforeseen expenditure by 14 departments in the 2021-22 financial year of $2,823,124,000. The majority of this arises from three departments. In the Department of State Development, Infrastructure, Local Government and Planning it was primarily due to factors including the unforwarding of the Australian government's partial prepayment of the 2022-23 funding for financial assistance grants to local governments and funding adjustments to the Queensland Reconstruction Authority to cover the recovery and construction costs primarily arising from flooding in the summer of 2021-22. Obviously there were other factors as well, but they are ones that I will draw to the attention of the committee.

Queensland Treasury also had UE of $551,513,000. That was primarily due to additional funding for the acquisition of the Visy Glass operations site, the Australian government's HomeBuilder grant and also a number of technical matters relating to the Queensland Government Insurance Fund's claim and beneficiary payments for superannuation and central leave schemes and additional first home owner grants.

The other significant item from the Department of Environment and Science was $623,215,000, which was primarily due to additional funding to bring forward payments to local councils in relation to revenue collected from the waste disposal levy. That was a bring-forward of payments that would have been being made in future years into 2021-22. It was actually a bringing forward of payments into that year.

Whilst the level of unforeseen expenditure for 2021-22 is higher compared with recent years, again, this needs to be taken in the context of its drivers. This was a year heavily impacted by additional COVID measures, the bring-forward of Commonwealth funding, accelerated capital works by Transport and Main Roads and targeted measures by government to support the community.

I would like to thank the committee for the opportunity to make this opening statement. I am happy to take questions.

Mr STEVENS: Mr Molloy, I have a couple of issues in the area of unexpected expenditure. In terms of the payment to the councils of $623 million to the funding for the payment, I understand that there is a collection fee collected by the waste collection facilities on these matters. When there is a revenue item to match that particular expenditure, why have they prepaid, if you like, as unexpected payments primarily to forward payments to local councils?

CHAIR: I do not have a full understanding of the question, but I take it the witnesses understand. Is any clarification required?

Mr Molloy: I think I can answer that to a degree. The decision to make that prepayment is obviously based on an estimate of what would otherwise have been paid over the forward estimates period. That has been brought forward. It is obviously intended that customers will not be impacted by that. I know that was important with the waste levy—to make sure that impact was being managed.

What it does do is provide councils with a level of certainty so that they are able to progress investments to establish the circular economy that Queensland needs to increase recycling and resource recovery. I think that was part of the reason for the government doing that.

CHAIR: I guess it highlights that a lot of this expenditure is actually payments made to other levels of government, not directly expenditure by the state government.

Mr Molloy: Yes. In that case that is what it is. These are payments to council.

Mr STEVENS: Is the HomeBuilder grant, which is a grant from the Australian government, also matched by $551 million by the state or is it including the Australian government's—it is a revenue item obviously for you—HomeBuilder grant?

CHAIR: The question is on the HomeBuilder grant, obviously a federally driven policy of which there was matching. Could you break that down for us, Mr Molloy?

Mr Molloy: Overall, the HomeBuilder grant is neutral to the state in a fiscal sense, but what we are recognising here with the UE is: at the time of the appropriation, when that was done in the June budget for 2021-22, the level of that appropriation that we would have to on-forward was not known and had not been identified by jurisdiction in the Commonwealth budget papers. Here we are picking up what actually happened. Recognise that this is also a demand driven program. This is just recognising the appropriation that ultimately was passed through to individuals through our Office of State Revenue.

Mr STEVENS: You mentioned the Visy Glass operations site purchase, I take it. How much was that and what was the purpose?

Mr Molloy: The Visy grant obviously was related to—

Mr STEVENS: It was not a grant; it was a sale.

Mr Molloy: It was an acquisition of a site—

Mr STEVENS: Correct.

Mr Molloy:—that will be used for the Olympics. The quantum of that, which I think has been identified elsewhere, is $165 million.

CHAIR: My understanding is that there was a strong call from the Mayor of Brisbane City to take advantage of the opportunity to make that purchase as part of the proceedings that led up to this, but that might be better addressed to the sports minister. Deputy Chair, did you have any other questions?

Mr STEVENS: No, I am good thank you, Chair.

CHAIR: I wanted to bring forward some other questions. For those following this, this is about the budget that we had in the lead-up to June 2021 and then the unanticipated expenditure or impossible-to-budget-for expenditure; is that correct, Mr Molloy?

Mr Molloy: Yes, that is essentially what it is, and I will provide a few comments that hopefully for the committee provide some useful context. Obviously we have been going through a period of probably unprecedented challenges in many ways, with issues like COVID and some weather related events as well. They are difficult to anticipate, so one of the significant items of UE relates to COVID business grants. At the time of the 2021-22 budget it had not been anticipated what form they might take. There was obviously a chance that we may need to do something. As it transpired, Queensland obviously managed that outbreak very well, but nevertheless it was identified with the Commonwealth that there was a need for some business support. That was negotiated and progressed over the second half of calendar year 2021 and took the form of grants to small business and tourism operators and demand driven projects. That was a significant amount of spending which was not anticipated at the time of the 2021-22 budget. We can see from other jurisdictions the extent to which those types of unexplained things can arise. New South Wales obviously had a very different COVID experience to Queensland in that it was particularly challenging. They, as a consequence of that, needed to have very extensive and expensive business support grants.

CHAIR: What was the quantum of extra appropriation in, say, New South Wales compared to Queensland?

Mr Molloy: I have a figure here off the top of my head, so my colleagues might correct me on this. If we have a look at the 2021-22 budget, there was a figure of around $17.8 billion in additional appropriation. If you like, that $17.8 billion figure is the comparable figure to our $2.8 billion. That was driven by, as I said, a very different environment and a very different COVID response.

CHAIR: I am not suggesting that there is necessarily a criticism of New South Wales Treasury officials or the New South Wales government. They faced a different emergent situation, but the quantum is very different, isn't it, Mr Molloy?

Mr Molloy: The quantum is very different, and I use that example more to highlight how there are things that can emerge that are very difficult to anticipate. That is the only reason I mention that.

CHAIR: That is not a criticism necessarily of New South Wales and its budgetary processes; it just faced a very different situation—

Mr Molloy: Which was obviously very difficult for them to anticipate.

CHAIR: In the lead-up to June 2021 we talked about quickly changing and things being difficult to anticipate and certainly difficult to budget for the COVID situation. I have something here that says that the Queensland floods in 2022—and New South Wales—have been rated by an insurance agency as No. 3 of the top 5 most costly disasters. There was a storm in Sydney and then Cyclone Tracy and then this event. Mr Molloy and Mr Ryan, why did you not anticipate the third most costly natural disaster in our budget? Obviously that is a ridiculous question, but are these the types of events that we need to have this sort of response for in our budgetary processes?

Mr Molloy: Obviously we had not anticipated that and had not built that into the numbers. That particular—

CHAIR: I make that comment because some in the media have made suggestions that all of this should have been anticipated. I just wanted to highlight that that is really not possible for Treasury.

Mr Molloy: And indeed that will impact our budget for a number of years going forward. The event having happened, you are obviously then in a better position to build into the forward estimates what you estimate your spending will be. When it happens in a particular year—obviously for 2021-22 that was not built in, so I think that is understandable.

The other thing that is very relevant with the natural disasters is when they trigger, which mostly the events will, the arrangements with the Commonwealth. Under those arrangements with the Commonwealth—they are very complicated and multitiered, but nevertheless I would characterise that we get back around two-thirds of what we spend, what ultimately the eligible disaster response is—we see that over time we recoup that part of spending.

The other thing that is very relevant, without taking too much more of the committee's time and understanding this from a broader financial perspective, is that when the Grants Commission then calculates our GST relatively it also takes that into account. It effectively means that other jurisdictions are contributing as part of a Federation—obviously we are a Federation—to that balance of the cost of the disaster. In a sense, as part of our Federation we have a very good risk-sharing arrangement.

CHAIR: Yes, and I do not think there is much criticism of the benefits of the Federation on this committee, Mr Molloy, but it is important. On that, though, a lot of the expenditure that we are putting forward is things where we are effectively, due to the nature of the Constitution, a postbox for the federal government. I notice criticisms in both the House and the media, but you could stop Queenslanders getting that expenditure and put it in a future budget and then expend it, but would that be a sensible policy to hold back that funding from Queenslanders that does not strictly come from the Queensland budget but we are required to be the constitutional party that spends it?

Mr STEVENS: Chair, that is a policy question you are asking there. I think we should move back to the issues currently before the committee, please.

CHAIR: Thanks for that point of order. Is it important that we pass forward the federal expenditure that is done at a future budget after our budget? Is it important that we pass it on to Queenslanders?

Mr Molloy: Obviously that is the standard practice and we can see that in UE there are elements of that—significant elements of that—which we have done. That would go to the nature of agreements with the federal government, but our expectation would be that we would pass that through. There are two examples of that which I could draw on for the benefit of the committee. There is the HomeBuilder grant, which we touched on earlier via that question, but there are also Commonwealth financial assistance grants. Commonwealth financial assistance grants are payments where we act as a postbox, effectively, for councils. In 2021-22 the Commonwealth chose to effectively provide two years of payments in that year and that funding was then appropriated to the department of state development and local government for then passing on to councils. That is an example of that type of thing that is relevant to the current bill.

CHAIR: I am just turning now to any other questions. I have indicated that some are satisfied with the responses that Mr Molloy has put forward, but are there questions from any other members of the committee?

Mr TANTARI: I have a question, Chair, but I will defer to the deputy chair if he wants to ask one first.

Mr CRANDON: One from me also, Chair, when you are ready.

CHAIR: We might hear from the member for Hervey Bay and then we will have the member for Coomera.

Mr STEVENS: Yes. Go to the other members and I will come back later, Chair.

Mr TANTARI: My question is to Mr Molloy and Mr Ryan. I have been noting in the appropriation bill that the Department of Employment, Small Business and Training has some unforeseen expenditure of around $138-odd million. Would you be able to explain to the committee that expenditure and its impact on the unemployment rate in the state?

CHAIR: Which department was that again, member for Hervey Bay?

Mr TANTARI: That is the Department of Employment, Small Business and Training and what services the additional expenditure has gone towards.

Mr Molloy: I think it is fair to say that of the Department of Employment, Small Business and Training was the vehicle for providing significant business support grants, so that is a relevant consideration. I think that would probably dominate that unforeseen expenditure category. That has obviously provided significant benefits to business. They were obviously designed to maintain solvency of businesses and support for businesses during COVID, when demand was impacted. Obviously we can see that, for a variety of reasons, Queensland currently has a very low unemployment rate. I think you mentioned the issue of the unemployment rate, so we have an unemployment rate which has been below four per cent. There are a variety of reasons for that and of course broader economic reasons as well, but I just note that also.

Mr CRANDON: Thanks for the information you have provided so far. I just want to go to the Queensland Department of Transport and Main Roads. Particularly, I am trying to get an understanding. Did you use the terms ‘overspend’ and ‘unexpected’ as the two different ones or did I write one of those down wrong?

CHAIR: We are turning now to the Department of Transport and Main Roads and there is a $330 million—

Mr CRANDON: No, I am trying to clarify the terminology ‘unexpected’ and ‘overspend’ as a precursor to my question, Chair.

Mr Molloy: I may have used ‘unexpected’ at some stage, but unforeseen expenditure.

Mr CRANDON: Unforeseen; thank you for that. Getting on to my question, I note that over time we rely quite heavily on QTRIP, the document that is published on the day of the budget each year by Transport and Main Roads. In fact, within minutes of the budget being announced by the Treasurer the QTRIP is updated with the latest figures, so it is a fairly important budgetary document as I understand it; would you agree with that?

CHAIR: I certainly would agree with that, but I do not know about Mr Molloy. Mr Molloy?

Mr Molloy: It is an important document, yes.

CHAIR: We all agree with that, member for Coomera.

Mr CRANDON: I am trying to come to grips with this in relation to the current bill we are looking at and also where things would sit going forward. If I look back to the 2021-22 and 2023-24 QTRIP for a couple of projects in my electorate, for example, I see that the exit 49 upgrade of an interchange was going to be fully expended in the 2022-23 financial year, totalling $91.6 million by the end of that particular period. That was also confirmed in the next QTRIP. However, when we jump forward to the latest QTRIP I see that there has been quite a significant change in the cash flow. It is now showing that $38.305 million is going to be expended in the 2024-25 to 2025-26 financial—

CHAIR: With respect, as a reminder—and I started off this questioning in my section by reminding members that we are looking at the lead-up to the June 2021 budget. This is unforeseen expenditure from July 2021 to July 2022. It is those forward—

Mr CRANDON: As I explained in my initial comments—sorry, Chair, you had not finished?

CHAIR: I will give some largesse here, but we are actually asked to examine the unforeseen expenditure—and that includes the Department of Transport and Main Roads—in the period July 2021 through to June 2022. Those adjustments to the forward years are not strictly part of this process. I will allow you to continue the question. I just wanted to counsel you that that is not strictly what we are examining.

Mr CRANDON: Thanks, Chair. Going to my question, the figures have been quite dramatically pushed out. Even though the department has confirmed to me that that project and also the other projects that I questioned them about will be completed in the 2022-23 or 2023-24 financial year, about a third of the money has been pushed out into future years. My question is this. If it is, as the department says, that it will be completed in the 2023-24 year in that particular case and that money has been budgeted for in a further out year—so in the outer years—will that then come into this same equation as being an unforeseen expense or an overspend in that year that the project is completed and the money expended?

CHAIR: I see. Although this question is not strictly about our unforeseen expenditure or Appropriation Bill (No. 3), the way I interpret the question is that the member for Coomera is asking: will this be dealt with in a future appropriation bill (No. 3) in some two or three years time?

Mr Molloy: I am probably going to have to give a fairly general answer.

CHAIR: Given that it is already now fixed in a budget and we have had that confirmed in the question, is it likely to be dealt with in an appropriation bill (No. 3)?

Mr Molloy: Obviously at some stage appropriation needs to be approved—

CHAIR: Appropriated.

Mr Molloy:—appropriated. Also the Appropriation Bill is very much a net bill. To be frank, I do not have that level of granularity or visibility—

CHAIR: I am disappointed! Exit 44 is very important. I am going to ask you about six questions about the Mount Lindesay Highway soon, so get ready!

Mr Molloy: What I can say—and hopefully this is still of value to the committee—is that the concept of unforeseen expenditure is a net concept. There may be some roads where activity is brought forward and costs more. There may be some where it is adjusted for some reason and costs less. Ultimately, in terms of this bill, what we are talking about is the net impact of that on unforeseen expenditure, and obviously that needs to be accounted for and the appropriate appropriations happen each year.

CHAIR: As a technical question, in the Department of Transport and Main Roads there was a real enthusiasm for getting work out the door to contractors to keep confidence going. In that way we saw some projects being brought forward and some expenditure being brought forward. Would that be adjusted in the next budget the following year because it has been brought forward in that way?

Mr Molloy: For individual projects in some cases opportunities may present themselves to bring work forward.

CHAIR: Including the excellent work on the Mount Lindesay Highway between Chambers Flat Road—it is all right.

Mr Molloy: I think I have driven on the road, but I cannot really comment in this current context. If we do have a look at it, sometimes opportunities present themselves. Sometimes there will be situations where weather or other factors will lead to delays. What we do know is that, when we are looking at the bill before us, there was unforeseen expenditure and capital in that portfolio of around $330 million extra. That would reflect the portfolio of transport and main roads projects. Again, I know it is a net concept, but it did seem that when we made some preliminary inquiries—again, these are issues of detail for the department—there were a number of Bruce Highway projects that had been accelerated.

Mr CRANDON: I had not quite got to the end of my questioning in relation to this matter. What I have gleaned from what you have said—and correct me, please, if I have not got it right—is that when these forward estimates are done and figures are pushed out—and in this particular case the department was unable to tell me why they would have pushed out $32 million—

CHAIR: Member for Coomera, I want to counsel you. We are looking at the period between—

Mr CRANDON: I know that. I am trying to get to the end of the question, but it needs context, Chair. From your answer, have I gleaned it correctly that moving these dollars around is a matter of trying to, if you like, balance the books in the current year et cetera so if it does not quite work 'we will put that money out there for now and that will help us balance the books, so to speak, in the current year and perhaps the following year'? Is that what you were getting at?

CHAIR: To be honest, Mr Molloy has pointed out that there is an amount of $330 million that has been brought forward in the Department of Transport and Main Roads for extra capital expenditure.

Mr CRANDON: Yes, I know that. He has made some inquiries on it and it was the Bruce Highway. I listened to all of that as well, Chair.

Mr Molloy: Ultimately, there is a program of works which is approved. The department rolls that out in accordance with the opportunities and challenges that present themselves on individual projects. They are really questions for the department when we get to that level.

Mr CRANDON: It is not a matter about balancing the books. The regional director has no answer for why the money was pushed out to the following year? That is fine. Thanks, Chair.

Mr Molloy: I would note, though, that this is in the context of a program that is around $5 billion a year. I do not have QTRIP in front of me, but it is made up of hundreds of projects.

Mr CRANDON: They all add up to $5 billion.

Mr Molloy: There are thousands, actually; I have just been corrected. In terms of the way that particular individual projects respond to circumstances, I do not have the expertise to advise about that.

Mr CRANDON: It was more about the cash flow and the cash flow projections that I was getting at, not about the projects themselves. The project has not changed. It is going to be finished in 2023-24, but the money was pushed out; that is the point I am making.

CHAIR: It has nothing to do with the examination of the Appropriation (Parliament) Bill (No. 3). I now turn to the deputy chair.

Mr STEVENS: My question is along the same line of questioning—

CHAIR: Please, no!

Mr STEVENS:—on the Appropriation Bill last year. It is noted that $916 million is lapsed appropriation from the year before. I take it that lapsed appropriation is either projects that came in under budget or projects that were decided to not be necessary. In terms of my former council experience many years ago, a lot of bureaucrats would put in projects that had no chance of going ahead, mainly to fatten their budgets so they could achieve well within the budgetary limits for their department. I notice they have taken that away as a net figure for $1.9 billion in terms of the overall expenditure. How much of that $916 million was for projects that were under budget and how much was for projects that did not go ahead?

CHAIR: I take it you want Mr Molloy to focus on the appropriations from 2021-22, not on the Albert shire in the eighties?

Mr STEVENS: Good call, Chair. The same thing happens. History repeats itself.

CHAIR: But I do not want to be too critical of the Albert shire in the eighties. They were good people.

Mr Molloy: There is lapsed appropriation of $916,814,000 spread across a number of departments. For the purposes of this briefing today, it is worth understanding what 'lapsed appropriation' means, for the benefit of the committee. It certainly does not mean that that funding will not at some future point, or at least a component of it, be paid. In some cases there will be delays, inevitably. In some cases projects will come in under cost. Lapsed appropriation is a combination of those concepts.

What we will see is that obviously there are processes that need to be complied with before grants can be paid. Obviously there are probity requirements for grant applications. Sometimes as part of that assessment there are key matters that need to be clarified and in that instance we can understand, given the need to protect public moneys, that there can be appropriate reasons for delays. Similarly, we may find that there are some department programs where the payment will end up being paid in the following year. There could be a number of reasons for that such as contract negotiations. With some of these projects there would be extraordinarily complicated contract arrangements that need to be negotiated.

What we can see from that is that lapsed appropriation is very much a concept of, in some cases, funding not required because projects have been able to be delivered at a lower cost and in some cases they have been pushed out. It is an amalgam of those concepts. What is relevant for the UE we are dealing with in the context of UE and net impacts on appropriation, if you like, is what is happening in the year we are dealing with, which is 2021-22.

CHAIR: To give you a specific example, Mr Molloy, say for instance the Park Ridge Pirates football club were building their clubhouse and they had a rain delay. They were due to finish in June 2022 and actually finished in July 2022. That would be an example of a payment that was in the circumstances you mention?

Mr Molloy: I am not familiar with the team.

CHAIR: Great club!

Mr Molloy: Maybe if they were Logan Brothers Rugby League I might be.

CHAIR: They are moving to Browns Plains as well. Souths are moving to Browns Plains.

Mr STEVENS: They were all part of the Albert shire in years gone by.

CHAIR: That is misleading. Mr Molloy?

Mr Molloy: What I can say is that, yes, milestones must be satisfied before payments are met. That type of example is one of the things we would be talking about.

CHAIR: Obviously that might apply to much larger projects where the final sign-off on an interim part of a contract might be only a month apart and be a significant lapsed expenditure but technically really of not much substance in terms of its delivery.

Mr Molloy: Yes, that is correct. These types of things are dominated by a number of large ones, I assume, but you have small and large—all of those things—all explaining a total.

CHAIR: Accountancy is not my favourite subject, but I do turn to my favourite accountant, the deputy chair of the committee.

Mr STEVENS: And the deputy chair would not mislead the committee. Logan was part of the Albert shire until Russ Hinze cut it off a lot of years ago.

CHAIR: Not Logan Brothers.

Mr STEVENS: Getting back to the bill at hand, what I was trying to point out is the $1.908 billion more than previously approved is not a real reflection because some of that $916 million will be expended, as Mr Molloy has just pointed out, in the future. It is carryover, if you like. The real unforeseen expenditure is $2.825 billion until other matters are proved otherwise; is that correct, Mr Molloy?

Mr Molloy: The unforeseen expenditure is, by definition, $2.825 billion, but if we look at it from the extent to which the actual appropriation which the committee is being asked to consider is different from the original, that lapsed appropriation is very much a relevant consideration because, to the extent you have a lapsed appropriation, which is obviously going the other way, in net terms that means that the overall increase in appropriation is less.

CHAIR: There being no further questions, we will bring the proceedings to a close. It is my understanding that there were no questions taken on notice. Thank you for the information you have provided today. Thank you to our fantastic Hansard service, which I notice gets new funding through Appropriation (Parliament) Bill (No. 3), and thank you to the broadcast staff who are up in their box doing a great job. A transcript of these proceedings, thanks to Hansard—and the new software—will be available on the committee's parliamentary webpage in due course. With that, I declare this public briefing closed.

The committee adjourned at 10.48 am.