

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 1

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

Will the Treasurer detail how the Queensland Government is investing in industries of the future. What initiatives are in the budget that will help Queensland realise the economic potential of emerging industries, particularly in the Southern Suburbs of Brisbane.

ANSWER:

In the 2015-16 Budget, the Palaszczuk Government is implementing a suite of innovative policies to encourage greater diversification in our economy.

Working Queensland is a \$1.6 billion package that will help boost the confidence of business to create jobs, increase the productivity of our labour force through skills development, foster emerging and innovative industries and support investment in productive infrastructure.

A focus for *Working Queensland* is fostering emerging and innovative industries by providing opportunities for research and entrepreneurship. Science and innovation is a key opportunity for Queensland's economy, and is important if Queensland is to be competitive at a global level.

Advance Queensland

The Government is delivering a \$180 million Advance Queensland investment in innovation, skills, education, business development and a start-up culture to deliver knowledge-based jobs now and into the future. This Advance Queensland investment is expected to co-leverage funding and generate total investment of approximately \$300 million into the State.

The Advance Queensland program has three major components:

- a \$50 million Advance Queensland Best and Brightest Fund to develop, attract and retain world class scientific and entrepreneurial talent;
- a \$45 million Advance Queensland Future Jobs Strategy which will open the door to new industry – research collaborations and tackle the big innovation challenges such as Queensland's emerging biofuels agenda; and
- a \$76 million Business Investment Attraction package, which will help turn great ideas into commercial realities through initiatives such as the Business Development Fund, to be implemented by the Queensland Investment Corporation.

As a Government, we know that key drivers of economic change are entrepreneurs and ambitious businesses. Start-ups can reshape the way entire industries work through technology and business model innovation.

Tech start-ups are vital to job creation and prosperity – studies have found that each technology job created leads to five additional jobs in other sectors. So the Palaszczuk Government is determined to play our role in supporting high growth, technology based businesses and help to develop the entrepreneurial skills of the workforce.

This is why the Business Investment Attraction package comprises:

- a \$24 million Startup Queensland program to increase start-up formation and attraction in Queensland;
- a \$12 million Queensland Commercialisation Program to support proof of concept projects designed to lead to new products and services; and
- the \$40 million Business Development Fund.

Business Development Fund

The Government is establishing the \$40 million Business Development Fund to provide seed co-investment to encourage greater angel and venture capital investment in Queensland businesses to help turn good ideas into a commercial reality.

The Business Development Fund will assist emerging and innovative Queensland industries, including niche manufacturing businesses by ensuring they have access to the start-up capital they need. This will ensure that businesses commercialising an innovative idea, product or service will create also opportunities for new high value and skilled employment.

Roadmaps for growth industries

We also recognise the need to diversify our economy in the face of greater competition, policy changes that could impact key markets and digital disruption. That is why we will provide dedicated funding of \$1 million to work with industry and establish 10-year roadmaps and investment prospectuses for key industries such as industrial biotechnology (including biofuels) that could spur future growth in jobs and new applications for existing industries and products.

Queensland Entrepreneurs of Tomorrow

Another *Working Queensland* initiative the Government is implementing to foster emerging and innovative industries is the Queensland Entrepreneurs of Tomorrow Home Based Business Program. This program will provide \$1 million over three years to support stay-at-home parents who want to establish and develop home-based businesses, while maintaining a healthy balance between work and family.

Brisbane's Southern Suburbs and emerging industries

Brisbane's southern suburbs have long played host to Queensland's emerging industries. I recently visited the Brisbane Technology Park, where Queensland's newest Innovation Precinct is being built.

Since its inception, the Park has developed to accommodate more than 150 national and multi-national companies working in industries including biotech, health and medical, mining, communications, electronics, and software development. The Park features the largest area of high security laboratory space in Australia and is the only specialist technology precinct in Queensland.

Earlier this month I turned the sod on the exciting next stage of the Brisbane Technology Park's development, which will deliver an extra 25,000 square metres of commercial and office space and hotel, supporting 450 new construction jobs.

The new precinct will build on Queensland's reputation as an innovation centre of excellence with world class, knowledge-based jobs and industries.

Unlike the former LNP Government which cut funding for job creating initiatives and stifled innovation, the Government wants to see more home-grown technological breakthroughs such as those originating from the Brisbane Technology Park, and that's what our Advance Queensland initiative is all about.

We're investing in jobs creating opportunities and innovation.

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Question on Notice No. 1

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to the number of jobs facilitated by DATSIP outlined on Page 5 of the DATSIP SDS can the Minister provide a detailed breakdown of the region and program responsible for the creation of the:

- a) 832 jobs created in 2014-15; and,
- b) 400 jobs estimated for 2015/16?

ANSWER:

The Palaszczuk Government has set a target of 400 jobs in 2015-16 – as outlined on Page 5 of the Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP) Service Delivery Statement.

This target represents an increase of 33% on the former LNP Government's target of 300 in 2014-15.

The Palaszczuk Government's target also represents a sensible estimated number of job placements for 2015–16.

These job placements will be facilitated through various programs and initiatives under the Economic Participation operational program, including the Youth Employment Program (YEP) and the Remote Indigenous Land and Infrastructure Program.

The estimated 400 job placements in 2015–16 will be targeted across all regions and the 'YEP', which I announced in May 2015, will be key contributor to job placements. YEP is an important tool for Queensland's 2,500 Aboriginal and Torres Strait Islander year 12 students who are looking for assistance and guidance in taking that next step after high school.

The estimated actual for 2014–15 of 832 jobs outlined on Page 5 of the DATSIP Service Delivery Statement covers the period to the end of May 2015.

Post the release of the 2015-16 Budget, the updated actual number of jobs facilitated through various programs and initiatives under the Economic Participation operational program, including the Remote Indigenous Land and Infrastructure Program to the end of June 2015 was 980 jobs.

The regional breakdown for 2014–15 is shown below:

This Table is Total DATSIP Job Placements by Industry 1 July 2014 to 30 June 2015

DATSIP Region ¹	Retail	Tourism	Resource	Construction	Agriculture , Forestry and Fishing	Transport, Post and Warehousing	Health Care and Social Assistance	Total
Torres		1		11	5	1	20	38
FNQ	22	8		3	4	2	21	60
RILIPO	15	5	1	84	26	2	16	149
NQ	36	19	57	31	15	5	112	275
CQ	13	15	6	28	6	5	33	106
SWR	15	3		8	5	6	21	58
SEQN	31	9	19	1		17	64	141
SEQS		27	1	6		3	15	52
Brisbane	14		75	12				101
Total	146	87	159	184	61	41	302	980

¹ Torres—Torres Strait; FNQ—Far North Queensland; RILIPO—Remote Indigenous Land and Infrastructure Program Office; NQ—North Queensland; CQ—Central Queensland; SWR—South-West region; SEQN—South-East Queensland North; SEQS—South-East Queensland South

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Question on Notice No. 2

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to the Budget Paper 'Jobs Now, Jobs For the Future', will the Treasurer outline initiatives in the budget that target unemployment in the coming years? How will initiatives such as Skilling Queenslanders for Work assist those who are looking for employment in the Eastern Suburbs of Brisbane.

ANSWER:

The Queensland Government has committed to job creation as one of its core policy objectives to lead Queensland to a more prosperous and inclusive future.

The 2015-16 Budget is a job creation Budget and, through our employment Budget Paper, *Jobs Now, Jobs for the Future*, we have clearly articulated the Queensland Government's approach to improving employment outcomes for Queenslanders.

This includes a \$1.6 billion investment in the Working Queensland commitments.

The Working Queensland initiatives are aimed at providing both increased job opportunities and better employment outcomes for all Queenslanders. These include many initiatives that will either directly or indirectly help create jobs for those looking for employment in Brisbane's eastern suburbs.

The latest labour market data for Queensland are encouraging, with full-time employment rising for 10 consecutive months. Queensland added 3,600 jobs in July, with an increase in both full-time and part-time workers. Total trend employment is up 25,600 since January. Meanwhile, Queensland's trend unemployment rate has edged lower since the election, to 6.3% in July 2015.

This is in stark contrast to the former LNP Government. Over the last three years, the number of Queenslanders in full-time employment fell by more than 5,000, while more than 29,000 additional Queenslanders became unemployed.

That is why the Palaszczuk Government is making every effort to improve employment opportunities across the State. There have been some clear signs of improvement in recent months.

The statistical region of Brisbane East is one area that is currently performing relatively better than the mean in terms of labour market outcomes. The latest ABS Labour Force data for June 2015 show the region had annual employment growth of 1.4% and an unemployment rate of 4.9%.

Brisbane's eastern suburbs comprises a broad cross-section of communities, families, individuals, small businesses and community organisations that will benefit, both directly and indirectly, from the various initiatives outlined in the *Jobs Now, Jobs for the Future* paper.

Key elements of the *Working Queensland* package that will help enhance the productivity and efficiency of businesses in the eastern suburbs of Brisbane, helping them employ more staff, include:

- Provision of payroll tax rebates of an additional 25% to employers who take on apprentices and trainees, in addition to their wages being exempt from payroll tax up to 30 June 2018, at a cost of around \$45 million;
- Establishing the Red Tape Reduction Advisory Council to recommend actions and activities to reduce the regulatory burden on the small business sector;
- \$20.2 million over four years for Building Queensland to provide independent, expert advice on infrastructure priorities for the Government. Building Queensland will help to ensure a long-term pipeline of infrastructure projects that will contribute to the long-term prosperity and productivity of the State; and
- \$7.8 million to establish the Queensland Productivity Commission to conduct independent economic reviews and inform the development of policy proposals to encourage economic growth, enhance productivity and improve living standards.

Individuals looking for work in the eastern suburbs will benefit from a range of initiatives focused on improving skills and training. These include:

- The establishment of Jobs Queensland to engage with industry, employers and unions to inform the Government's workforce policy development, including advice on current and future skills demand and long term workforce planning; and
- Ensuring that 10% of workers on the State's major capital works projects are apprentices and trainees.

A key initiative which should provide significant benefit in the eastern suburbs is the investment of \$240 million over four years for the reinstatement of *Skilling Queenslanders for Work*.

Skilling Queenslanders for Work will help support up to 32,000 Queenslanders back into employment through a suite of targeted skills and training programs.

The initiative focuses on providing training to people who are under-utilised or under-employed, as well as building the skills of our young people, Aboriginal and Torres Strait Islanders, people with disability, mature-age jobseekers and people from culturally diverse backgrounds.

A broad range of assistance is available under the initiative including: job preparation assistance, case management, nationally recognised training, foundation skills, paid work placements, 12 month traineeship opportunities and employer incentives.

Skilling Queenslanders for Work will assist individuals to begin a learning pathway to a certificate III qualification, and provide direct assistance to those Queenslanders who need extra support to enter and stay in the workforce.

The initiative is supported by a state-wide regional network working closely and forming partnerships with community-based organisations and local employers to determine local skills required for local jobs.

Regional Priority Jobs Committees have been established in each region to review, prioritise and recommend applications for funding. Committee membership comprises a broad representation of stakeholders including employer, employee, local government, and community representatives.

So, for those people looking for work in the eastern suburbs, there will be specific consideration given to local funding proposals by a Committee comprising key stakeholders in the relevant region.

The first funding round closed on 19 June 2015 and attracted much interest with more than 550 applications for funding. There will be two funding rounds each year under an open and transparent application process.

The Government has also committed to boosting the delivery of government and social services across the State, including the direct creation of many additional jobs in vital services. These include:

- Providing an additional 875 teachers, including 275 specialist teachers for high schools; and
- Supporting up to 4,000 new one-year graduate nursing and midwifery places, and 400 Nurse Navigators, to support patient transitions between primary care and hospitals.

Looking forward, current and future generations of people from the eastern suburbs and across the State will also benefit from the increased economic activity generated by the various elements of *Working Queensland* focused on fostering emerging and innovative industries.

These initiatives include the \$180 million for Advance Queensland to develop the jobs of tomorrow, part of which is the \$40 million Business Development Fund. With matching funding from private partners, this fund will invest in innovative and growing businesses.

I am confident that the positive steps taken by this Government to implement the initiatives outlined in the *Jobs Now, Jobs for the Future* Budget Paper, will support continued jobs growth and improved outcomes for individuals looking for employment in the eastern suburbs of Brisbane, as well as across the rest of Queensland.

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Question on Notice No. 2

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to page 111 of the Budget Paper 4. Can the Treasurer, using the latest information available, provide a table individually outlining how many businesses have payrolls in each of the following brackets:

- \$1.1 million to \$1.2 million
- \$1.2 million to \$1.3 million
- \$1.3 million to \$1.4 million
- \$1.4 million to \$1.5 million
- \$1.5 million to \$1.6 million
- \$5.5 million to \$6 million
- \$6 million to \$6.5 million
- \$6.5 million to \$7 million
- \$7 million to \$7.5 million
- \$7.5 million to \$8 million?

ANSWER:

I am pleased to advise the Opposition that Queensland is in an enviable position when it comes to the competitiveness of payroll tax and its application to Queensland businesses.

In fact Queensland has the highest payroll tax exemption threshold of any mainland state, and the lowest payroll tax rate of any state or territory in Australia (see Table 1).

Table 1 Comparison of payroll tax rates and thresholds

	QLD	NSW	Vic.	SA	WA	Tas.	ACT	NT
Exemption threshold (\$000)	1,100	750	550	600	800	1,250	1,850	1,500
Tax rate (%)	4.75	5.45	4.85	4.95	5.5	6.10	6.85	5.5
<i>Source: Other jurisdictions State Revenue Offices.</i>								

As per the Government's election commitment, the threshold will remain competitive at \$1.1 million from 1 July 2015.

The Government committed to fully funding its election commitments by finding savings or reprioritisations.

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Question on Notice No. 3

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to Budget Paper 3, page 10, can the Treasurer outline direct employment generated by the 2015-16 Capital Works Program.

ANSWER:

The State Government plays an important role in providing essential infrastructure and capital works to meet the State's increasing service needs and to facilitate improved productivity and efficiency for the State's industries.

The Government's capital works program supports a significant amount of economic activity and jobs across Queensland, particularly in the construction industry and sectors providing associated support services. While the key focus of the capital works program is meeting service needs, it does play an important role in creating employment opportunities for Queenslanders.

In 2015-16, the State's capital works program is estimated to be \$10.105 billion (including \$1.531 billion in capital grants). This includes:

- A State-wide Schools and Hospitals Fund which will deliver \$500 million for new education and health projects across Queensland, providing much needed refurbishments and maintenance works to our schools and hospitals in support of local jobs.
- There will be capital expenditure of \$3.931 billion for transport and main roads in 2015-16, including \$175.9 million towards the Gateway Upgrade North, \$172.1 million towards the Toowoomba Second Range Crossing and \$113.1 million towards the duplication of the Bruce Highway (Cooroy to Curra) Section A.
- The energy and water sector will make capital purchases of \$2.423 billion over a range of initiatives to support the Government to deliver cost effective, safe, secure and reliable energy and water supply.
- Capital purchases for the health portfolio are \$1.303 billion in 2015-16, including \$488.7 million to continue delivery of the Sunshine Coast University Hospital and \$179 million to continue the statewide roll out of clinical and administrative support systems. A further \$113.6 million will be invested to finalise a number of major projects including Logan Hospital, Lady Cilento Children's Hospital, Centre for Children's Health Research, Mackay Base Hospital, Mount Isa Health Campus and Gold Coast University Hospital.

- In 2015-16, \$861.4 million is allocated towards capital purchases for Queensland Rail, including a \$568.4 million network infrastructure program.
- The Government will make capital purchases of \$427.3 million for schools in 2015-16, including \$168.7 million to undertake new stages for four recently-opened schools and provide additional classrooms at existing schools in growth areas throughout the State. Construction of the \$25 million Cairns Special School will commence in 2015-16, with the Government investing \$7.1 million.
- \$408.9 million is being provided to Local Government Authorities to undertake recovery, reconstruction and betterment projects following Tropical Cyclone Marcia and other recovery and reconstruction projects relating to natural disaster events of 2013 to 2015.

Queensland Treasury estimates that the construction component of the State's capital works program in 2015-16 will directly support approximately 27,500 full-time equivalent jobs in Queensland. The capital works program is also likely to result in significant flow-on employment impacts in other sectors of the economy.

The Government is committed to providing a consistent flow of capital works across the State and ensuring Government assets continue to meet the needs of Queenslanders. To help achieve this, capital expenditure will focus on the needs of local communities and support local employment opportunities. Total capital expenditure (capital purchases and grants) and estimated direct employment supported by region is:

Region	Total capital purchases and grants \$'000	Estimated direct employment supported
Brisbane	2,166,067	6,000
Ipswich	484,049	1,500
Wide Bay	572,545	1,500
Darling Downs	1,126,554	3,000
Gold Coast	1,193,814	3,000
Mackay	350,097	1,000
Outback	832,633	2,500
Cairns	443,797	1,000
Fitzroy	892,897	2,500
Sunshine Coast	1,499,069	4,000
Townsville	542,932	1,500

Given the existing competitiveness of Queensland's payroll tax regime, and the fact that the LNP did not meet its own election commitment to raise the threshold and deferred it for two years in the 2013-14 Budget, the Palaszczuk Government's election commitment was that the LNP's proposal for future threshold increases would not proceed.

The savings from this decision will be utilised to meet election commitments including those focused on key jobs and training programs as part of the \$1.6 billion Working Queensland package.

Further, from 1 July 2015, in addition to their wages already being exempt from payroll tax, a 25% payroll tax rebate applies to the wages of eligible apprentice and trainees.

Estimates based on national data indicate that businesses eligible for a rebate employ more than half of Queensland's private sector workforce.

This Government in providing this initiative and maintaining the existing payroll tax exemption for apprentices and trainees effectively provides employers with a 125% rebate of payroll tax on apprentice or trainee wages.

A good example of the Government's payroll tax exemption is shown below where an employer paid \$50,000 in exempt apprentice/trainee wages for a monthly periodic return.

Initial payroll tax periodic liability (on all taxable wages)	\$10,000.00
Less incentive rebate ($\$50,000 \times 25\% \times 4.75\%$)	\$593.75
Payroll tax periodic liability	\$9,406.20

The rebate reduced the employer's monthly periodic liability by \$593.75.

In order to provide further support and certainty to business, the 2015-16 Budget also includes a commitment to no new fees, taxes and charges, as well as no change to royalties. This has been welcomed by key business and industry stakeholders, including the Chamber of Commerce and Industry Queensland and the Australian Industry Group.

The number of businesses within selected total Australian wage bands, by number and as a proportion of all Queensland employing businesses is detailed in the table below:

No. of businesses within selected total Australian wage bands, by number and as a proportion of all QLD employing businesses

2013-14 and 2014-15

Australian wages band	2013-14	% of all QLD employing businesses	2014-15	% of all QLD employing businesses
\$1.1 million to \$1.2 million	823	0.5	635	0.4
\$1.2 million to \$1.3 million	795	0.5	631	0.4
\$1.3 million to \$1.4 million	671	0.4	645	0.4
\$1.4 million to \$1.5 million	636	0.4	601	0.4
\$1.5 million to \$1.6 million	566	0.4	510	0.3
\$5.5 million to \$6.0 million	392	0.2	376	0.2
\$6.0 million to \$6.5 million	336	0.2	348	0.2
\$6.5 million to \$7.0 million	278	0.2	297	0.2
\$7.0 million to \$7.5 million	250	0.2	254	0.2
\$7.5 million to \$8.0 million	232	0.1	227	0.1
Total	4979	3.1	4524	2.8

The figures above are based on the total compensation to employees a business group pays in Australia.

Under the current payroll tax scheme, a Queensland business is liable for payroll tax when the total compensation to employees in Australia is above \$1.1 million.

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Question on Notice No. 3

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to pages 5 and 6 of Budget Paper 2. Can the Treasurer provide a table separately identifying how many public servants took long service leave last financial year, which department they are employed by, what band or classification level each of these public servants were and the total cost to government of providing this entitlement, also outlining any future forecasts on the cost of providing long service leave over the forward estimates?

ANSWER:

The Queensland Government's comprehensive Debt Action Plan will see the Government's Long Service Leave (LSL) obligations met on an as required basis by agencies, rather than by holding a central investment allocation.

This balance sheet reform initiative aligns the Queensland Government's treatment of LSL with other Australian jurisdictions where standard practice is to fund LSL entitlements on an emergent basis, when the leave is paid.

There will be no change for employees – in fact Queensland's public servants will not experience any difference in the way their LSL is paid.

LSL entitlements are guaranteed by legislation, and of course they will be paid when claimed.

There will be no change to the administrative arrangements under which Government agencies currently contribute to, and draw down from.

Agencies will pay LSL leave from their budgets and seek reimbursement from Treasury on a quarterly basis through the Consolidated Fund.

In response to the question, the Opposition should be aware that supporting documentation / information, such as employee names, salary level, length of service is not submitted with the claim.

It is forecast that LSL payments for leave taken over the period 2015-16 to 2018-19 will be approximately \$1.847 billion.

In accordance with the Government's responsible fiscal management, an allocation for the forecast \$1.847 billion is incorporated into the Forward Estimates.

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Question on Notice No. 4

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to Budget Paper 4, specifically pages 29 and 94, can the Treasurer outline the key components of the Statewide Schools and Hospitals Fund, including the funding for new schools and the enhancing regional hospitals program.

ANSWER:

The Statewide Schools and Hospitals Fund will provide an economic uplift to local communities with a focus on health refurbishment and education capital and maintenance projects.

The initiative will allocate \$90 million to deliver two new schools in Townsville, including \$50 million for a new primary school to open by the 2018 school year, and \$40 million for master planning works for a new high school to open by the 2020 school year.

The initiative also includes a \$230 million allocation to facilitate a much needed new maintenance boost for our schools over three years from 2016-17. This is in addition to the Government providing a further \$70 million in 2015-16 for school maintenance projects. This takes the overall uplift in spending on school maintenance to \$300 million over four years.

The Government's procurement guidelines encourage the engagement of local contractors and as such this injection of school maintenance funding will create needed additional employment and help to stimulate local economies.

The Fund also includes an additional \$180 million for the Enhancing Regional Hospitals Package. This new funding will be used to undertake essential refurbishment and modernisation of ageing hospitals in regional Queensland, including Roma Hospital, Hervey Bay Emergency Department, Gladstone Emergency Department and Caloundra Hospital.

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Question on Notice No. 4

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to:

- a) page 5 of Budget Paper and the various references to the Labor Government's proposal to merge state-owned electricity companies.
- b) RTI document No. 41 from Queensland Treasury which outlines a request from Treasury to get access to the breakdown of the Labor Party modelling which identifies \$150 million in annual savings 'associated with the electricity GOC merger'

I ask:

Will the Treasurer release the modelling behind the \$150 million figure he has previously identified and spoken about in Parliament?

ANSWER:

Treasury is currently undertaking a detailed assessment of the energy Government owned corporations (GOC) mergers process and the potential efficiencies to be generated, including annual savings.

Preliminary estimates by Treasury confirm that \$150 million in savings is achievable, through a range of measures including removing duplication across areas including administration, human resources, boards, management and legal costs.

Estimated figures relating to the energy GOC mergers process are not incorporated into the 2015-16 Budget.

An update on figures including estimated savings will be provided at the Mid-Year Fiscal and Economic Review.

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Question on Notice No. 5

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

How is the 2015-16 budget encouraging innovation in the Queensland economy, with specific reference to initiatives such as market led proposals and social benefit bonds.

ANSWER:

The 2015-16 Budget is promoting innovation in the Queensland economy through a range of initiatives.

Advance Queensland

The Palaszczuk Government's signature Advance Queensland program is a \$180 million investment in innovation, skills, education, business development and a start-up culture to deliver knowledge-based jobs now and into the future.

The Advance Queensland program will help make Queensland a place where business, industry, universities and government work together to take great ideas, turn them into investment-ready proposals, attract that investment, and create jobs.

Market-led proposals and social benefit bonds are two key initiatives in the Budget that will encourage innovation and are indicative of the new approach taken by the Palaszczuk Government to tackling complex problems.

Market-led Proposals

The Queensland Government recently undertook a substantial overhaul of the process for Government consideration of market-led proposals. These were previously referred to as unsolicited bids by the former Government and often treated as nothing more than a nuisance.

The new *Guidelines for the assessment of market-led proposals* are designed to provide the private sector with clear and consistent guidance about the Government's assessment process for considering market-led proposals.

The Queensland Government wants the private sector to play a bigger role in promoting growth and investment opportunities and the market-led proposals guidelines are just one way that this Government is encouraging innovation in this space.

A market-led proposal is a proposal initiated and submitted by a private sector proponent, where the specific proposal has not been requested by the Government (for example, either through an invitation to participate in a competitive tendering process or otherwise).

The market-led proposals policy recognises that sometimes, the private sector might have ideas that the Government has not yet contemplated.

Additionally, by providing the private sector with clear and consistent guidance about our market-led proposal assessment process, they are not only more likely to bring their proposals to us, but those proposals will also be of a higher quality.

We've also made it easier for the private sector to access information about the guidelines and submit a proposal to Government, through the creation of a central portal at (www.treasury.qld.gov.au/mlp).

Through this new mechanism, we're removing the confusion that was previously experienced by the private sector – not only was it difficult for them to find the information they needed, but it was also unclear as to where they needed to submit their proposal.

We've brought about these changes to encourage the market to bring us high-calibre, feasible proposals – we want to receive genuinely unique proposals that demonstrate preliminary investment, appropriate allocation of risks and costs, and proponent capacity and capability, and we are confident that the new guidelines will assist the private sector to deliver these innovative proposals.

Social Benefit Bonds

In recognition of the need to trial a different approach to tackling challenging social issues facing the Queensland community, the Queensland Government is investigating the value and benefits of Social Benefit Bonds.

These Bonds offer an alternative approach in working towards social outcomes in challenging areas, and can deliver both social and economic benefits.

Social Benefit Bonds are outcomes driven. The financing structure provides that the Government only pays for social outcomes when demonstrated – as opposed to when services are delivered.

Through these bonds, additional funds are attracted from private investors to finance social services and produce positive outcomes. When contracted outcomes are demonstrated, a return will be paid by the Government to investors.

Typically, the bonds focus on early intervention and prevention services, which, if effective, can reduce future demand for acute services and, potentially, free up public funds for other priorities. In other words, the Government should avoid currently expected service delivery costs over the longer term, if the agreed outcomes are achieved.

Another benefit arising from the bonds is the improved flexibility and innovation in the delivery of social services. This is achieved by working collaboratively with the social services sector to facilitate the development of services that deliver positive social outcomes for individuals and families. Importantly, this will be new money, over and above existing funding provided to the sector for service delivery.

The aim of the Social Benefit Bond pilot is to explore and identify how bonds can address chronic social issues in Queensland. We will start by investigating re-offending, homelessness and issues affecting Aboriginal and Torres Strait Islander people.

Queensland Treasury will lead this cross-agency initiative through an additional \$2 million allocation over two years. In addition, a Social Benefit Bonds Readiness Fund, capped at \$1 million, will assist service providers selected to continue to the development phase of the pilot.

Queensland Treasury will work with the social services and investment sectors as well as leading social services government agencies throughout the pilot. Market sounding and engagement activities will continue over the coming months. Our priority is to work collaboratively to deliver the Social Benefit Bond pilots.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 5

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to:

- a) Page 6 of Budget Paper 2 which identifies the Government's decision to suspend payments into the Defined Benefit Superannuation Scheme.
- b) an email from Under Treasurer Jim Murphy which states that the Defined Benefit Scheme is set to effectively cease in 2035 when the last of its members are set to retire, which has been tabled in Parliament.

Can the Treasurer provide a detailed breakdown of how many people currently have access to the Defined Benefit Scheme, in what year each of these people are set to retire and the forecast changes to the number of people accessing the scheme going forward every year to 2035?

ANSWER:

As part of the Government's Debt Action Plan, total State debt will be reduced by \$2 billion across the forward estimates, through a time-limited suspension of annual employer contributions to the Defined Benefit Scheme. The Scheme will remain 100% fully funded at all times and there will be no change in entitlements for defined benefit members.

The State Actuary provided written advice that this measure can be undertaken, with the scheme remaining fully funded for its approximately 50,000 members – as is guaranteed by legislation.

It is important for the Opposition to understand that the Defined Benefit Scheme was closed to new members in November 2008. Subsequently, the vast majority of current members of the Defined Benefit Scheme are expected to have retired by 2035 – this is consistent with what I have previously stated.

The 50,000 members of the Defined Benefit Scheme can be assured their entitlements are safe. The Defined Benefit Scheme will continue until the retirement of the last of the current members of the Scheme. That date will be determined when the last person retires.

It should be noted that this measure will deliver positive outcomes for the State by reducing State debt by \$2 billion over the forward estimates and result in lower interest expenses of around \$150 million over the forward estimates.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 6

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to page 111 of Budget Paper 4, can the Treasurer outline how the Payroll Tax rebate is helping business employ more trainees and apprentices across Queensland, particularly in the Far North of the State.

ANSWER:

The Queensland Government has committed to job creation as one of its core policy objectives to lead Queensland to a more prosperous and inclusive future.

That is why the 2015-16 Budget has job creation at its core, with a \$1.6 billion investment in our Working Queensland commitments.

Jobs now, Jobs for the Future, outlines the economic rationale underpinning each of the key *Working Queensland* initiatives, within the context of a high level policy framework.

These initiatives include the additional payroll tax rebate of 25 per cent on the wages of apprentices and trainees. This rebate is in addition to their wages being exempt from payroll tax up to 30 June 2018, with the rebate able to be used as an offset against payroll tax on the wages of other employees.

This measure, to be provided at an estimated cost of \$45 million over the next three years, will give employers an additional incentive to take on new apprentices and trainees, and ultimately enable Queensland to continue developing a highly skilled workforce into the future.

The payroll tax rebate is being implemented as part of a range of measures aimed at enhancing the productivity and efficiency of business, improving skills and training, growing our regions, fostering emerging and innovative industries and boosting the delivery of government and social services.

While the subsidy will help make a real difference in terms of trainee and apprenticeship opportunities across the entire State, it will be particularly important in regions currently suffering from high rates of youth unemployment.

The Cairns and Townsville regions in Far North Queensland currently have youth unemployment rates of around 20 per cent, compared with 14.3 per cent across the State overall.

Another commitment outlined in the Budget, expected to deliver significant benefits to youth and other disadvantaged groups seeking employment in the Far North, is the \$240 million *Skilling Queenslanders for Work* initiative.

Skilling Queenslanders for Work focuses on providing training to people who are under-utilised or under-employed, as well as building the skills of our young people, Aboriginal and Torres Strait Islanders, people with disability, mature-age jobseekers and people from culturally diverse backgrounds.

The program will help support up to 32,000 Queenslanders back into employment through a suite of targeted skills and training programs.

The Government will also continue to look for more ways to help deliver on our commitment to create jobs and improve employment outcomes for the people of Queensland, including those in the Far North of the State.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 6

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to Pages 4-5 of Budget Paper 2 which references the decision to regear state-owned electricity businesses Ergon, Energex and Powerlink.

Can the Treasurer outline what impact regearing these businesses to the level identified in the Budget Papers will have on their total return to Government both through increasing their debt interest costs and reducing the projected dividends over the forward estimates?

ANSWER:

It should be noted that if the LNP were re-elected in Queensland they would have sold off approximately \$37 billion of our state owned income generating assets and Queenslanders would not have received any dividends generated by those Government owned corporations (GOCs).

Following on from the Government's commitment to retain the energy network GOCs in public hands, it was essential to look at how best to optimise business performance and maximise benefits back to the state.

The Review of State Finances, informed by the Queensland Treasury Corporation's assessment, clearly identified that there was capacity to increase the gearing levels of the network businesses towards more commercial and industry levels. The re-gearing option was astutely recommended by the Independent Review of State Finances. Furthermore, specific analysis undertaken by KPMG shows that this measure is consistent with industry practice and that this supports efficient capital management

That is why we clearly articulated that given the State's energy network businesses are currently geared at a net debt to Regulated Asset Base (RAB) ratio of approximately 55%, on average, compared to an industry average gearing ratio is around 80%, the Government would target a gearing ratio of 70% for Ergon Energy and Energex and 75% for Powerlink.

Given the lower capital expenditure requirements of the energy network GOCs over the forward estimates, this allows for future dividends to be increased from 80% to 100% whilst still allowing for gearing levels to remain at the target ratios of 70%-75%.

Prior to implementation of this strategy, the energy network businesses were forecast to deliver \$5.5 billion to the State over the budget and forward estimates.

As a result of the regearing strategy, the State will receive a total of \$6.1 billion, including \$3.8¹ billion in dividends, \$1.5 billion in tax equivalent payments and \$0.8 billion in competitive neutrality fees over the period 2015-16 to 2018-19.

This is in addition to a forecast \$3.5 billion dividend in the form of an equity withdrawal that will be used to repay General Government debt

This is detailed in the budget papers as a \$3.5 billion withdrawal of equity and \$600 million of additional operating receipts or \$4.1 billion in additional remittances to the State.

These are positive and strategic initiatives to better position the State and our energy sector for future growth opportunities.

¹ The balance on page 127 of BP2 of \$3.5 billion excludes the \$300 million that relates to the increase in dividend payout from 80% of NPAT to 100% of NPAT declared in 2014-15 but only paid in 2015-16.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 7

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to page 21 of Budget Paper 4, please outline the implementation of Stolen Wages reparations, which is intended to address the long standing historical issue of reparation for the wages and savings stolen from Aboriginal and Torres Strait Islander Queenslanders.

ANSWER:

From the late 19th century, and for the greater part of the 20th century, the Queensland Government exercised control over all aspects of the lives of Aboriginal people and Torres Strait Islander people who were subject to the ‘Protection Acts’, including control over their wages and savings.

Since 1999, the Queensland Government has undertaken a number of compensation and reparation processes for Aboriginal people and Torres Strait Islander people who suffered direct disadvantage as a result of these racially discriminatory government practices, such as ‘stolen wages’.

The Queensland Government has listened to Aboriginal and Torres Strait Islander Queenslanders who feel that the approach to date has not adequately addressed these wages and savings issues. Following a commitment made during the 2015 State Election, the Queensland Government is providing additional funding of \$21 million over three years to further address the longstanding historical issue of reparation for the wages and savings stolen from Aboriginal and Torres Strait Islander Queenslanders.

This process will include the establishment of a special Aboriginal and Torres Strait Islander Taskforce to advise and assist with the reparations process. The Stolen Wages Reparations Taskforce will consult with affected communities, and come together to develop and make recommendations on the eligibility criteria for assessment and allocation of the funds.

The Department Aboriginal and Torres Strait Islander Partnerships commenced work with the Queensland Council of Unions in March 2015 to collect nominations for the Taskforce from across Queensland, including nominations from regional Stolen Wages Working Groups held in Townsville, Rockhampton, Mackay, Brisbane and Cairns. Taskforce membership will ensure gender balance and representation from both Aboriginal and Torres Strait Islander cultures.

Nineteen nominations were received and a selection process is currently underway with a Taskforce of 12 members, including a Chair, expected to be appointed in late August 2015.

Separate to the Taskforce, the Mayors of Queensland Aboriginal and Torres Strait Islander Shire Councils have been invited to participate in decision-making on the Reparations Scheme and public written submissions will also be sought during September and October 2015 to ensure broad community involvement.

An 1800 number and website will be established in late 2015, to provide information and allow people to register their interest in the scheme.

The number of eligible claimants and types of payment will depend upon the recommendations of the Taskforce and the final parameters of the scheme. Over 5,700 people were found eligible under the previous Queensland Government Reparations scheme.

Subject to Taskforce recommendations being finalised, and Government approval, the new Reparations scheme will commence later this year.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 7

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to chapter seven of Budget Paper 2 – the Public Non-Financial Corporations Sector. Can the Treasurer please provide a table listing individually the estimated actual and projected dividends, tax equivalent payments and competitive neutrality fees for CS Energy, Energex, Ergon, Powerlink, Stanwell, Ports North, Gladstone Ports, North Queensland Bulk Ports, Port of Townsville, Sunwater, Queensland Bulk Water Supply Authority and Seqwater from 2014-15 through to 2018-19?

ANSWER:

It should be noted that if the LNP were re-elected in Queensland they would have sold off approximately \$37 billion of our state owned income generating assets and Queenslanders would not have received any dividends generated by those Government owned corporations (GOCs).

It should also be noted that at the 2014-15 Estimates Hearing, I was not afforded the same level of openness and accountability by the former Treasurer when I asked this question and the detail which I am providing to the Opposition in this response was painstakingly read out to the Committee – instead of being tabled.

The estimated dividends, tax equivalents payments (TEPs) and competitive neutrality fee (CNF) payments by the nominated entities are shown at an aggregated, sectoral level in tables 7.3, 7.4 and 7.5 in Budget Paper 2. The dividends, TEPs and CNF payments by entity are shown in the attached Table 1:

TABLE 1		2014-15 Est. Act. \$M	2015-16 Budget \$M	2016-17 Projection \$M	2017-18 Projection \$M	2018-19 Projection \$M
CS Energy Limited	Dividends	0.0	0.0	29.9	13.4	18.9
	Current TEPs	0.0	0.0	21.8	9.4	5.3
	Competitive Neutrality Fee	16.1	16.1	14.8	13.3	12.7
Stanwell Corporation Limited	Dividends	56.5	124.9	180.6	168.3	190.4
	Current TEPs	26.7	83.9	107.3	97.9	113.0
	Competitive Neutrality Fee	14.0	14.0	14.0	14.0	14.0
Powerlink Queensland	Dividends	151.2	223.8	246.8	97.6	98.2
	Current TEPs	60.2	90.2	99.3	35.5	36.1
	Competitive Neutrality Fee	38.2	49.1	57.3	59.7	59.6
Energex Limited	Dividends	522.5	418.8	315.6	239.2	163.7
	Current TEPs	184.1	185.8	141.8	111.3	81.5
	Competitive Neutrality Fee	54.9	58.4	70.4	73.9	77.1
Ergon Energy Corporation Limited	Dividends	652.6	555.7	475.6	353.6	314.9
	Current TEPs	180.8	238.2	203.8	151.6	135.0
	Competitive Neutrality Fee	56.4	47.7	64.6	69.2	72.0
Far North Queensland Ports Corporation Limited	Dividends	4.9	5.3	3.5	6.4	5.3
	Current TEPs	4.3	3.3	3.8	3.6	7.7
	Competitive Neutrality Fee	0.0	0.0	0.0	0.0	0.0
Gladstone Ports Corporation Limited	Dividends	64.5	59.9	60.3	67.9	74.6
	Current TEPs	34.5	32.1	32.3	36.4	40.0
	Competitive Neutrality Fee	7.1	7.1	7.1	7.1	7.1
North Queensland Bulk Ports Corporation Limited	Dividends	0.0	18.1	20.8	23.9	27.3
	Current TEPs	8.7	10.6	10.7	10.9	11.2
	Competitive Neutrality Fee	0.7	0.7	0.7	0.7	0.7
Port of Townsville Limited	Dividends	13.2	15.5	18.9	22.7	27.3
	Current TEPs	6.2	8.0	10.1	12.6	15.3
	Competitive Neutrality Fee	1.1	1.1	1.1	1.1	1.1

SunWater Limited	Dividends	0.0	44.0	45.0	52.0	49.0
	Current TEPs	22.7	15.5	40.0	50.6	48.2
	Competitive Neutrality Fee	2.2	2.1	1.0	0.5	0.5
Queensland Bulk Water Supply Authority (Seqwater)	Dividends	0.0	0.0	0.0	0.0	0.0
	Current TEPs	0.0	0.0	0.0	0.0	0.0
	Competitive Neutrality Fee	0.0	0.0	0.0	0.0	0.0
TOTAL						
Dividends		1465.4	1466.0	1397.0	1045.0	969.6
Current TEPs		528.2	667.6	670.9	519.8	493.3
Competitive Neutrality Fee		190.7	196.3	231.0	239.5	244.8
TOTAL		2,184.3	2,329.9	2,298.9	1,804.3	1,707.7

Total dividends, tax equivalent payments and competitive neutrality fees do not agree with the aggregates in tables 7.3 to 7.5 in Budget Paper 2, on account of the omission of Queensland Rail and other water boards from the data above. These entities are beyond the scope of the Question.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 8

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to p6. of the Department of Aboriginal and Torres Strait Islander Partnerships Service Delivery Statement, please provide an update on funding for Welfare Reform in Cape York.

ANSWER:

The Welfare Reform initiative supports families and individuals to improve their own lives through rebuilding social norms, re-establishing local authority, improving economic opportunities and increasing home ownership for Aboriginal and Torres Strait Islander peoples in Queensland's Welfare Reform communities. Initially operating in Aurukun, Coen, Hope Vale and Mossman Gorge and recently extended to Doomadgee, it could be extended into more communities in due course.

Over the remainder of the financial year and the forward estimates period to 2018–19, the Welfare Reform initiative will receive \$28.6 million in funding. The funding allocated is \$8 million per annum adjusted for growth as follows:

Funding approved	2015–16 (Jan to June)	2016–17	2017–18	2018–19
	\$4,000,000	\$8,000,000	\$8,185,000	\$8,378,000

To date, the reform effort has:

- empowered Local Commissioners to take the lead in bringing about meaningful and sustainable change to their communities; and
- supported community members to take an active role in making decisions for their own lives and the lives of their children and families.

This recurrent funding allows the Family Responsibilities Commission to continue its critical role in working with local community members to address the behaviours that brought them to the Commission's attention. It also provides certainty of funding for the integral support services such as parenting and financial counselling programs that work directly with community members. Building on these gains achieved to date allows for sustained effort in the areas of economic participation, home ownership and education achievement.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 8

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to the public servant numbers detailed in the portfolio SDS, since the assent of the Industrial Relations and Other Legislation Amendment Bill 2015 can the Minister advise how many public servants within the Department's staffing allocation have had their details supplied to unions under the Government's Union Encouragement Policy list in the following format for each portfolio, Queensland Treasury, Employment and Industrial Relations, and Aboriginal and Torres Strait Islander Partnerships.

Department	Union Name	Number of Employee details forwarded	Summary of Details provided
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ANSWER:

Following on from the former LNP Government's campaign of mass redundancies and erosion of wages and conditions of Queensland public servants, the Palaszczuk Government made a firm election commitment to restore fairness for government workers.

Union encouragement was one of the many conditions of employment rendered unenforceable during the former LNP Government's term.

I am proud to defend the right of every worker to join, or not to join, their union – this is a democratic tradition which we will always stand up for.

The *Industrial Relations (Restoring Fairness) and Other Legislation Amendment Act 2015* (the Act) is one of the ways the Palaszczuk Government is delivering on its commitments.

From June 2015, the Act restores the ability for union members to organise and protect workers' employment conditions, including re-enlivening any provisions within industrial instruments requiring new employee details to be passed onto relevant unions.

These amendments were important because the former LNP Government left an unfortunate legacy by going further than any Queensland Government in history in attacking workers' rights.

The union encouragement policy released in May 2015 provides for new employees to have ready access to a union representative so that they can make an informed decision about whether or not to join a union. The policy operates subject to relevant legislation.

The manner regarding release and reporting of new employee details will vary depending on the industrial instrument.

The State Government Department Certified Agreement (the Core Agreement) covers nearly 50,000 public servants, including those in my portfolio departments. From June 2015 the re-enlivened provisions within this agreement provides that information about new starters is to be provided to relevant unions on a quarterly basis. The first full quarterly report (the September quarter report) is due in October 2015. Not all industrial instruments require standard reporting.

All public servants are protected by privacy laws and agencies are responsible for complying with those laws. Each agency is required to comply with their relevant industrial instrument(s) regarding union encouragement, including reporting timeframes.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 9

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

With reference to p11. of the Queensland Treasury Service Delivery Statement, could the Treasurer please provide an update on the implementation of the Government's commitment for 'Restoring Fairness for Government Workers', with specific reference to job security and award modernisation?

ANSWER:

In accordance with its pre-election commitment, 'Restoring Fairness for Government Workers', the Palaszczuk Government pledged to reinstate employment conditions for government workers that were stripped away as a result of the unfair legislative changes made by the former LNP Government.

The Palaszczuk Government overturned the LNP's failed legislation through the *Industrial Relations (Restoring Fairness) and Other Legislation Amendment Act 2015* which took effect on 11 June 2015.

The amendments included restoration of a range of employment conditions in awards and agreements for State Government employees that were made unenforceable by the former LNP Government, including job security, and allows for the Queensland Industrial Relations Commission (QIRC) to continue its award modernisation process but within a fairer legislative framework.

In addition to these legislative measures, various administrative measures have also been implemented by the Palaszczuk Government to give effect to its industrial relations reform agenda. This has included the repeal of certain Public Service Commission Directives that undermined public servants' workplace protections and the introduction on 10 April 2015 of an employment security policy to cover Queensland Government agencies. On 17 July 2015, I requested the QIRC to recommence the award modernisation process, having regard to the fairer legislative framework and confirming that the intent of award modernisation should not be to reduce or remove employee entitlements or protection.

The Palaszczuk Government has demonstrated, and continues to demonstrate, it delivers on its commitments not only to the hardworking, dedicated Queensland public servants but also to all Queenslanders; it is clear that promoting and protecting workplace rights remain a cornerstone of good government.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 9

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

I refer to page 11 of the SDS in relation to workplace health and safety services and ask –

Can the Treasurer provide a detailed breakdown of funding by year for 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19 for the injury prevention and management program, including the amount of advisers this provided for, in each year?

ANSWER:

The Injury Prevention and Management Program (IPaM) is a joint initiative between Workplace Health and Safety Queensland (WHSQ) and WorkCover Queensland (WCQ).

The IPaM program works with selected employers who, compared to other businesses of similar size and nature, experience higher workers' compensation claim rates and costs.

Through a case management model, the IPaM program assists and enables these businesses to improve their injury prevention and rehabilitation and return to work systems.

The budget for the IPaM from 2014-15 to 2018-19 is as follows:

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Budget	\$2.855M	\$2.928M	\$2.999M	\$3.073M	\$3.149M
Advisors	28	28	28	28	28

The growth in budget for the IPaM from the 2014-15 to 2018-19 financial year reflects current and anticipated wages growth.

As at 30 June 2015, 204 employers have completed the initiative and a further 511 employers were working with IPaM advisors.

Workers' compensation data shows positive trends in terms of reducing claims and costs for IPaM participating businesses and overall costs to the workers' compensation scheme.

Businesses participating in the program as at 30 June 2014 experienced workers' compensation scheme reductions including:

- a 12% reduction in statutory claim numbers, compared to an overall reduction of 7% across the scheme
- a 17.6% reduction in claim frequency (per million dollar wages) compared to the scheme decrease of 10.4%
- a 12.1% reduction in total statutory costs, compared to a scheme decrease of 0.1%.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 10

GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

Will the Treasurer please detail how the Queensland Government is improving safety for Queenslanders at work?

ANSWER:

The Queensland Government is committed to reducing work-related injuries and fatalities by engaging with workers, businesses and the community.

Traditional regulatory responses using inspections and audits, notices and prosecutions, to address non-compliance with work health and safety (WHS) duties, in conjunction with providing advice and information, is part of the core duties of Workplace Health and Safety Queensland (WHSQ).

However to continue to build sustainable, ongoing improvements in health and safety outcomes, WHS regulators around the country have begun to build on this approach and broaden their range of strategies to improve compliance.

Workplace Health and Safety Queensland has broadened its service delivery approach by also focusing on being a facilitator or enabler that collaborates with business, industry associations, WorkCover Queensland and other safety regulators to improve the safety, productivity and competitiveness of Queensland businesses.

In line with this service delivery approach, WHSQ has developed a number of collaborative initiatives that take a facilitating and enabling approach to improving safety outcomes. This is however supported by strong enforcement and compliance sanctions to continue to ensure health and safety laws are complied with.

The Small Business Program provides free, easy-to-use services to help those smaller businesses manage health and safety. In 2014-15, advisors conducted 151 workshops, 283 free workplace consultations and delivered presentations and group coaching throughout the State. The Small Business Program also partners with industry bodies to provide joint services to their small business members and in 2014-15 conducted 17 workshops for small businesses in the high risk construction sector.

The Injury Prevention and Management Program (IPaM) initiative works with selected businesses to ensure they have systems in place to prevent work-related injury and, if people are injured, to return people to meaningful and appropriate work, as soon as practical. Around 200 businesses have completed the initiative to date, with a further 511 businesses currently working with advisors.

Workers' compensation data shows positive trends for IPaM participating businesses in reducing injury claims and costs, as well as reducing overall costs to the workers' compensation scheme.

To date, Queensland has demonstrated a 15.4 per cent reduction in incidence of serious work-related injuries in the five years between 2008-09 and 2012-13. A further reduction in the rate of serious work-related injuries is forecast for 2013-14, which will result in an overall improvement of 17.1 per cent over the 2008-09 to 2013-14 period.

The Electrical Safety Office is also engaging with industry and the community to improve electrical safety. Last year alone this included:

- delivering 159 presentations attended by over 2,400 electrical apprentices, electrical contractors, worker and community members;
- running 90 workshops for over 450 electrical contractors to discuss industry compliance;
- conducting 48 one-on-one safety meetings with new electrical contractors to explain legislative duties and safety management systems; and
- delivering safety awareness presentations to electrical apprentices at training centres, focusing on safe work practices and supervision requirements.

More recently the Electrical Safety Office ran the awareness campaign 'The risk is real. One safety switch may not be enough' aimed to make homeowners aware that one safety switch installed in their switchboard may not protect all the circuits in their home and encouraging them to consider having safety switches added to every circuit and to test them regularly.

Queensland's five year moving average rate of electrical fatalities per million population is used to evaluate electrical safety performance and compares Queensland to the national rate. Queensland's performance has improved significantly since June 2001 from 3.6 to 0.85 in June 2013.

Estimates Hearing 2015 – Finance and Administration Committee

Question on Notice No. 10

NON-GOVERNMENT MEMBERS ASKED THE TREASURER, MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS AND MINISTER FOR ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (HON C PITT)—

QUESTION:

I refer to page 11 of the SDS in relation to industrial relations policy and regulation and ask –

Can the Treasurer outline the level of funding that will be provided to the Building Construction and Compliance Branch (BCCB) and the staff employed by this unit for 2015/16 and over the forward estimates?

ANSWER:

The Building Construction and Compliance Branch (BCCB) is located within Industrial Relations Policy and Regulation Division (IRR&C) of the Office of Industrial Relations.

The BCCB was not provided with a specific funding arrangement in 2014-15. Its operations were funded from the existing budget allocation of the (former) Office of Fair and Safe Work Queensland and reported under the Private Sector Industrial Relations cost centre.

In 2015-16 the BCCB operations will continue to be funded from the existing Office of Industrial Relations budget allocation and reported under the Industrial Relations Policy and Regulation cost centre.

The IRR&C have a staff of 16 officers, comprising five in State Office and 11 regional staff. The IRR&C staff have been trained to, and are providing administrative support, contract and workplace relations management plan review and answering general enquiries to ensure the BCCB continues to fulfil its requirements under the Guidelines.

In 2015-16 budget provision has been made for expenditure of \$356,000 for BCCB activities.