Finance and Administration Committee
2011-12 Estimates

Question on Notice No. 1

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to SDS 1-114, will the Minister outline the recent achievements of the Queensland Government in red tape reduction?

ANSWER:

The Queensland Government is committed to maintaining a competitive regulatory environment that supports Queensland business, community and government in driving innovation, productivity and economic growth for the benefit of all Queenslanders. The reform agenda continues to maintain momentum at both state and national levels, and the benefits of this commitment are becoming clear.

For the first time, we have a target of reducing the compliance cost burden to business and the administrative burden to government by $150 million per year by 30 June 2013 under the Queensland Regulatory Simplification Plan. In 2009-10 alone, $78 million of regulatory savings were achieved for business and government, largely through the introduction of the Smart Electronic Development Application system. We are the only jurisdiction which publishes all government agency simplification plans in a central location as we are committed to hearing from stakeholders on whether the right reform areas are being targeted.

Also for the first time, we have a best practice regulatory development and review process, the Regulatory Assessment Statement System. The RAS system closes a significant gap in the regulation making process by, for the first time, capturing primary legislation and quasi regulation, instead of just subordinate legislation. Already, this has resulted in eight RASs being done on proposals with significant impacts, six of which were on aspects of proposals that would otherwise not have been captured under the previous system. Over the past year, the Queensland Office for Regulatory Efficiency in Queensland Treasury has helped agencies skill up on regulatory best practice across government, and undertake better impact assessment.

However, it is still early days. The Regulatory Assessment Statement System and agency Regulatory Simplification Plans have only been in place together for around 12 months.

The benefits of the flexibility of this system to business and the community were evident earlier this year. The Government implemented a streamlined Regulatory Assessment Statement process to expedite the work of agencies and reduce the delays and impacts experienced by community and business in response to the floods and Cyclone Yasi.

The Minister for Tourism, Manufacturing and Small Business and I announced on 15 June this year that the Government will establish a Business Commissioner to cut red tape.

The Business Commissioner will give the business sector a direct voice within government and identify areas of reform that will benefit business and the state economy as a whole, with the following roles and responsibilities:

1. Liaise with business through the Queensland Small Business Advisory Council (QSBAC) and established peak bodies on regulation and make recommendations to government for change to the regulatory environment, including reducing time taken by regulators to complete regulatory processes and making regulation simpler for businesses to read, understand and comply with;
2. Coordinate the regulatory simplification actions of government to enhance Queensland's productivity and competitiveness. This will include proactively communicating to business the measures that have been taken by the Government to improve the productivity, enhance business confidence and improve the conditions for business success;
3. Provide a central 'go to' point for business via industry peak bodies, to raise systemic (as opposed to individual business complaints) issues for the Commissioner to address. The Commissioner will alert relevant State agencies of concerns of the business sector that require resolution and make recommendations as to how this should occur. This may include referring matters to State dispute resolution bodies (such as the Queensland Civil and Administrative Tribunal and the Ombudsman (QCAT)) and making recommendations to Government about how to address systemic issues;
4. Advise Government and regulatory agencies about best practice regulation and identify, investigate and report on systemic regulatory issues and solutions.

The position will report to the Minister for Tourism, Manufacturing and Small Business and myself on regulatory issues and the opportunities for positive efficiency and productivity gains in the Queensland business environment.

The establishment of the Commissioner is in response to recommendations made by the Ai Group for ways to reduce the regulatory burden for business in Queensland.

I expect the Commissioner, and the office supporting the Commissioner, will be established and operational in September this year.

Real reform takes time, but the Government is committed to this long term agenda to ensure that the big reform benefits flow through to Queensland businesses and the economy sooner rather than later.

At the national level, Queensland and the other jurisdictions are working to reduce the compliance burden through harmonisation of regulatory regimes. Under the National Partnership Agreement to Deliver a Seamless National Economy, important reforms such as occupational health and safety, Australian business names and the national occupational licensing system will deliver benefits to all Australians.

Treasury oversighted the achievement of a number of business regulation reforms in the last financial year. The Australian Consumer Law is providing benefits to all sectors of the economy and to all consumers and businesses. This reform has delivered a single, national law for fair trading and consumer protection which applies equally in all Australian jurisdictions. Product safety reform compliments the Australian Consumer Law with a national product safety regime, covering safety standards, product bans and withdrawals and enforcement. These reforms together have strengthened consumer protection while providing businesses with more certainty.

Finance and Administration Committee
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Question on Notice No. 2

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to Budget Paper No. 2, will the Minister provide a breakdown of the dividends expected from government owned corporations and entities and the community service obligation paid to these organisations to deliver services to Queenslanders?

ANSWER:

Dividends

Government holds a significant investment in the Government owned corporations (GOC) sector. The primary purpose of the GOCs is to provide services. This year CSO payments to GOCs exceed dividends by more than $1 billion.

Dividends are paid out of net profits after tax, that is, after all expenses, including operations and maintenance. Through this policy, Government is ensuring that the reliability and security of GOC essential services is not compromised.

GOCs are forecasting to provide dividends of $783 million in 2011-12. This includes $586 million from the energy sector, $163 million from the transport sector and $34 million from QIC and SunWater.

Government Owned Corporations Dividends [1,2]

Sector	2010-11 Estimated Actual ($M)	2011-12 Budget ($M)	% Change
Energy			
Generation Sector [3]	216	59	-72.7
Network Sector	525	526	0.2
Total	**741**	**586**	**-20.9**
Transport			
Ports	34	52	52.9
Rail [4]	206	111	-46.1
Total	**240**	**163**	**-32.1**
Other [5]	**27**	**34**	**25.9**
Total	**1,008**	**783**	**-22.3**

1 Numbers may not add up due to rounding
2 Numbers do not match BP2 as BP2 is prepared for Public Non-Financial Corporations and excludes QIC and includes water entities.
3 Decline in 2011-12 due to a one-off impact of sale of a surplus mining lease in 2010-11 - Stanwell
4 Includes dividend from the former QR Limited in 2010-11
5 SunWater and QIC

Community Service Obligations

Community service obligation (CSO) payments are made to GOCs to undertake non-commercial or community service objectives of Government. They are essential to assist in redressing the social inequity that may otherwise exist in the community in terms of access to essential and other services.

The Government continues to fund Queensland Rail to provide affordable, safe and reliable public transport and regional rail networks; Ergon Energy, to ensure electricity is affordable for all Queenslanders, particularly those in regional areas; and SunWater to assist irrigators.

In 2011-12, the Government has budgeted to pay CSOs to GOCs of $1.825 billion. This includes $411 million to Ergon Energy, $1.407 billion to Queensland Rail and $6 million to SunWater. CSO payments are expected to increase to $1.950 billion in 2014-15 which reflects growth in demand for these services and the increasing cost of providing them.

Government Owned Corporations Community Service Obligations

Sector	2010-11 Estimated Actual ($M)	2011-12 Budget ($M)	% Change
Ergon Energy	388	411	5.9
Queensland Rail	1,451	1,407	-3.0
SunWater	7	6	-14.3
Total	**1,846**	**1,825**	**-1.1**

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Question on Notice No. 3

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to Budget Paper No. 3, will the Minister provide a breakdown of the value of the capital works program proposed for each of the government owned corporation sectors?

ANSWER:

The Government owned corporation (GOC) capital works programs enable the Government to ensure the reliability and security of the essential services provided by the GOCs. The GOC capital works expenditure for 2011-12 is estimated to be $5B across the GOC sector.

GOC capital works are primarily funded by GOCs with a combination of borrowings and internal cash flows. However Government undertakes to provide equity funding and/or dividend reinvestments for major GOC capital works programs, when such programs can be demonstrated to drive value, efficiency and enhancements to the delivery of the essential services our State and its economy depend on.

ENERGY GOCS

Capital expenditure of over $3.5B is budgeted in the energy GOC sector for 2011-12. The primary focus of the energy GOCs' capital works programs is to ensure ongoing reliability and efficiency of Queensland's electricity supply. The capital programs form part of the energy GOCs' commitment to provide a safe, secure and reliable, cost effective electricity delivery.

- ENERGEX plans capital expenditure of $1.3B for 2011-12, including $718M on network programs and $392M on distribution system upgrades to support significant commercial infrastructure in Brisbane and reinforcement of electricity supply across South East Queensland.

- Ergon Energy plans capital expenditure of $937M for 2011-12, primarily related to providing a cost effective, safe and reliable electricity supply for domestic and commercial customers, which includes $667M to reinforce electricity supply.

- Powerlink plans capital expenditure of $859M for 2011-12, focusing on the establishment of new substations and transmission lines, and maintenance of existing infrastructure in regional Queensland.

- CS Energy plans capital expenditure of $167M for 2011-12, including $66M in overhaul work on Callide, $32M on Swanbank, $19M on Mica Creek and $32M on Kogan Creek power stations, and a further $15M on the construction of the Kogan Creek Solar Boost Project.
- Tarong Energy plans capital expenditure of $135M for 2011-12, including $62M on Tarong Coal projects and $65M on Tarong, Tarong North and Wivenhoe power station maintenance and improvements. [1]
- Stanwell plans capital expenditure of $120M for 2011-12, including $53M on upgrades and overhaul work at Stanwell power station, $14M for upgrades of information systems and $36M in new gas generation opportunities.

TRANSPORT GOCS

Capital expenditure of over $1.4B is budgeted in the transport GOC sector for 2011-12. The transport GOCs' capital works programs deliver infrastructure development that support Queensland's growing population and economy.

- Queensland Rail is committed to delivering a transport infrastructure program that supports Queensland's growing population. Queensland Rail plans capital expenditure of $1.2B in 2011-12, including $240M on Citytrain track infrastructure and upgrades, and $260M on acquisition and enhancement of passenger rollingstock.
- Gladstone Ports plans capital expenditure of $147M in 2011-12 for ongoing expansion at the Port of Gladstone, Port of Bundaberg and Port Alma, including $65M for construction of a coal stockpile and continuing works at the RG Tanna Coal Terminal.
- Port of Townsville plans capital expenditure of $87M in 2011-12 for plant acquisition, infrastructure development and port improvements to ports of Townsville and Lucinda, including $23M for the completion of the $102M Townsville Marine Precinct project.
- North Queensland Bulk Ports plans capital expenditure of $34M in 2011-12 for various port development projects, including $20M for preliminary works for proposed multi-cargo facility at the Port of Abbot Point and $6M for plant and equipment upgrades at the Port of Mackay.
- Far North Queensland Ports has allocated $12M in 2011-12 towards new and continuing seaport development in Far North Queensland.

SUNWATER

SunWater plans capital expenditure of $25M for 2011-12, including $9M of upgrades to Kinchant dam and Tinaroo Falls dam spillways, as well as refurbishment and enhancement of infrastructure assets.

Note 1: Tarong Energy became a subsidiary of Stanwell on 1 July 2011 as part of the restructure of the Generator GOCs, which also resulted in a number of individual plants being re-allocated between CS Energy and Stanwell.

Government Owned Corporation Capital Expenditure	2010-11 Est. Actual [a] $'000	2011-12 Estimate [b] $'000	Variation [c] $'000	%
Energy GOC				
CS Energy	151,157	167,036	15,879	10.5
ENERGEX	1,115,877	1,301,747	185,870	16.7
Ergon Energy	784,854	937,018	152,164	19.4
Powerlink	523,976	859,000	335,024	63.9
Stanwell	134,991	120,339	(14,652)	(10.9)
Tarong Energy [d]	81,731	135,157	53,426	65.4
Sub Total Energy GOC	**2,792,586**	**3,520,297**	**727,711**	**26.1**
Transport GOC				
Far North Queensland Ports	12,528	12,455	(73)	(0.6)
Gladstone Ports	84,200	146,784	62,584	74.3
North Queensland Bulk Ports	125,339	34,328	(91,011)	(72.6)
Port of Townsville	103,005	86,995	(16,010)	(15.5)
Queensland Rail [e]	755,548	1,157,113	401,565	53.1
Sub Total Transport GOC	**1,080,620**	**1,437,675**	**357,055**	**33.0**
Other GOC [f]				
SunWater	60,012	24,956	(35,056)	(58.4)
Sub Total Other GOC	**60,012**	**24,956**	**(35,056)**	**(58.4)**
Total GOC	**3,933,218**	**4,982,928**	**1,049,710**	**26.7**

Notes

(a) Source: TriData

(b) Source: State Budget 2011-12 Capital Statement (Budget Paper 3)

(c) Capital Expenditure change is based on change from 2010-11 Estimated Actual to 2011-12 Estimate

(d) Tarong Energy became a subsidiary of Stanwell on 1 July 2011

(e) Queensland Rail established 1 July 2010

(f) QIC is not included as its capital works programs do not include infrastructure expenditure, and its data is not published in the Budget, being part of the Public Financial Corporation Sector. QIC has approximately $12M budgeted for target operating model implementation and information technology upgrades in 2011-12.

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Question on Notice No. 4

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to SDS 1-130, will the Minister provide an outline of how the Queensland Government's balance sheet will benefit from the Wiggins Island Coal Export project being lead by the private sector?

ANSWER:

The proposed Wiggins Island Coal Export Terminal (the Terminal) will be located at the Port of Gladstone, north of the entrance of the Calliope River and the existing RG Tanna Coal Terminal. The total capacity of the terminal will be approximately 80 mtpa, delivered incrementally. Stage 1 is expected to deliver capacity of up to 30 mtpa with first shipments through the terminal expected in 2014.

The significant demand for export coal supply chain infrastructure has necessitated that Government pursue innovative funding models to deliver capital projects that utilise the balance sheet of large coal companies, rather than the State's balance sheet.

To this end in November 2008, the Government granted preferred developer status for the proposed new Terminal to the Wiggins Island Coal Export Terminal (WICET) Group, a consortium of coal companies. The WICET Group rather than the State will finance and own the proposed Terminal, with Gladstone Ports Corporation Limited as operator.

The benefit of this arrangement to the State is that at a whole-of-Government level it avoids the need to borrow up to a further $2.5B – the expected cost of Stage 1.

Finance and Administration Committee
2011-12 Estimates

Question on Notice No. 5

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to Budget Paper No. 2, page 171, will the Minister detail the total subsidy that will be provided to local council water distribution entities in 2011-12?

ANSWER:

The Water Grid Manager will sell bulk water, mostly to the council owned retail-distribution entities, at a loss of almost $500 million in 2011-12.

The Queensland Competition Authority (QCA) has estimated that in 2011-12, the State's bulk water price will be only 55 per cent of the true cost of bulk water supply as estimated by the Grid Service Charges. The QCA's assessment does not include the additional interest costs incurred by the Water Grid Manager to service the accumulated debt arising due to the 10 year bulk water price path.

The State Government has also decided it will only charge a cost of debt return on 'drought' assets. In 2011-12, the lower return on drought assets represents a $175 million subsidy. The State Government will not recover this foregone revenue in bulk water prices at any stage in the future.

Finance and Administration Committee
2011-12 Estimates

Question on Notice No. 11

Asked on 28 June 2011

THE COMMITTEE ASKED THE TREASURER AND MINISTER FOR STATE DEVELOPMENT AND TRADE (MR FRASER)—

With reference to Budget Paper No. 2, page 91, regarding Sales of Goods and Services, will the Treasurer provide, on a whole-of-government basis, full details of (a) the total number of fees, charges and levies that are accounted for within the referenced section of the budget and (b) of the items listed in (a), how many have been increased by subordinate legislation in 2010-11 and the forecast number of items that will increase in 2011-12?

ANSWER:

(a) I refer the member to QON 12 which sets out the information collected by Treasury at a whole of government level. The scope of the question could include such charges as the costs of every type of prescription at the pharmacy at the Royal Brisbane Hospital.

(b) Subordinate legislation implemented in 2010-11 is a matter of public record.

(c) With the exception of previously announced increases above CPI (for example, Translink fares), it is government policy that a CPI indexation is applied.

Finance and Administration Committee
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Question on Notice No. 12

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to SDS1-113, will the Minister provide details of the advice received from electricity generation GOCs on the impacts of the proposed carbon tax on their operations and the cost of electricity?

ANSWER:

Details of the proposed carbon tax were only announced by the Australian Government on 10 July 2011. Now that details have been announced, Government Owned Corporations (GOCs) will be analysing the impact on their operations and provide detailed advice to shareholding Ministers.

Prior to 10 July 2011, it was not possible to determine definitively the likely impact on Generator GOCs and all other entities, as the final design of the carbon tax in regard to compensation for existing generators, the rate of tax, included activities, tax cuts or other benefits for tax payers, the design of any associated trading scheme, etc are significant in assessing the impact on the GOC Generators (Gencos) and the cost of electricity.

On 1 July 2011, the Queensland Government completed a restructure of the Gencos. Under the revised arrangements, the Government's portfolio of generation assets has been re-organised under a two-Genco model under the management of CS Energy Ltd and Stanwell Corporation Ltd.

The restructure was identified in the Shareholder Review of Queensland Government Owned Corporation Generators (Genco Review) which was announced in November 2010.

The impetus for undertaking the Genco Review, and reform of the sector, included the potential impact on the GOC Generator sector from the Australian Government's proposed carbon reduction measures. The restructure of the Genco sector is about efficiently managing the current generation assets in order to maximise their economic lives and the jobs they support.

The forthcoming 2010-11 Annual Reports for CS Energy Ltd, Stanwell Corporation Ltd and Tarong Energy will include asset impairments due to current electricity market dynamics and the Commonwealth's proposed carbon price legislation and other climate change measures.

Treasury's preliminary estimate of the potential accounting value losses due to the carbon price for coal-fired generators is in the order of $1.6 billion to $1.7 billion. It is expected the Gencos will record these losses in their 2010-11 financial statement.

However, as the Gencos own a portfolio of coal and non-coal generation assets, on an entity valuation basis, the value loss for the coal-fired generators is offset, in part, by an improvement in the value of gas and hydro generation assets. Preliminary advice suggests the net economic value loss for the Gencos due to the carbon tax could be around $800 million to $900 million.

It should be noted that these are Treasury's preliminary estimates, which are being revised in view of the Commonwealth Government's announcement on 10 July 2011.

The Gencos will be making their own estimates of the accounting and economic value losses due to the carbon tax.

Finance and Administration Committee
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Question on Notice No. 13

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to SDS3-134, will the Minister advise the total value of the regulated asset base for the SEQ Water Grid?

ANSWER:

On the basis of information provided by the Queensland Water Commission, the Queensland Competition Authority's Draft Report on South East Queensland Grid Service Charges 2011-12 has identified that the total value of the regulated asset base for the SEQ Water Grid as at 1 July 2011 is $7.7 billion.

Finance and Administration Committee
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Question on Notice No. 14

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to SDS3-133, will the Minister detail the rate of return and any expected dividends to be received on the SEQ Water Grid assets annually until 2015-16 (reported separately by bulk water entity)?

ANSWER:

The SEQ Water Grid comprises approximately 67 per cent drought assets (new water supply assets including climate resilient assets and interconnecting pipelines) and 33 per cent non-drought assets (assets acquired from local governments).

The Queensland Competition Authority's Draft Report on South East Queensland Grid Service Charges 2011-12 sets out the returns on drought and non-drought assets in the SEQ Water Grid in 2011-12.

In order to minimise the impact of water price rises on South East Queenslander households and businesses, the State Government made a decision to charge a cost of debt rate or return (ie. lower than a commercial rate of return) on all of the drought assets.

The rate of return on each drought asset is to equal the actual cost of debt incurred. For 2011-12, the forecast cost of debt for:

- Seqwater drought assets varies by asset:
  - Brisbane Aquifer 6.44 per cent;
  - Bribie Island Aquifer 6.21 per cent;
  - Enoggera WTP 6.38 per cent;
  - Ewen Maddock WTP Upgrades 6.38 per cent;
  - Cedar Grove Weir 6.73 per cent;
  - Bromelton Off-Stream Storage 6.73 per cent;
  - Esk-Wivenhoe Pipeline 6.58 per cent;
  - Coominya Pipeline 6.58 per cent;
  - Hinze Dam Upgrade 6.20 per cent;
  - Wyaralong Dam 6.13 per cent; and
  - Wyaralong WTP 6.06 per cent;
- all of Watersecure's drought assets is 6.52 per cent; and
- Linkwater's drought assets varies by asset:
  - Eastern Pipeline Interconnector 6.62 per cent;
  - Network Integration Pipeline 6.59 per cent;
  - Southern Regional Water Pipeline 6.62 per cent;
  - Northern Pipeline Interconnector (Stage 1) 6.57 per cent; and

- Northern Pipeline Interconnector (Stage 2) 6.09 per cent.

Non-drought assets earn a commercial return in exactly the same way as they did when they were owned by councils. This is set for each entity as follows:

- Seqwater and Watersecure 9.91 per cent; and
- Linkwater assets 9.90 per cent.

The Government does not receive dividends from the bulk water entities.

Further, it is worth noting that even when there cost of debt and commercial return are considered, consumers are still assisted by government's decision to subsidise the bulk cost of water, which is sold to councils for almost a $500 million loss this year.

Finance and Administration Committee
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Question on Notice No. 15

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to SDS3-133, will the Minister detail the rate of return and any expected dividends to be received on all other bulk water or drought assets annually until 2015-16 (reported separately by bulk water entity)?

ANSWER:

I refer the Committee to my answer to Question on Notice 14.

Finance and Administration Committee
2011-12 Estimates

Question on Notice No. 16

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to Budget Paper No. 2, page 70, will the Minister detail the spending on capital works by Energex and Ergon for 2009-10, 2010-11 and 2011-12 (reported separately by year and entity)?

ANSWER:

ENERGEX Limited

$M	2009-10	2010-11 Est. Actual	2011-12 Budget
Distribution Augmentation	295.8	279.6	392.3
Service Connections	49.7	52.6	-
Transmission	565.3	577.1	718.3
Non-System	113.6	111.3	187.1
Non-Regulated	2.0	6.4	4.5
Total Capital	**1,026.4**	**1,027.0**	**1,302.2**

Ergon Energy Corporation Limited

$M	2009-10	2010-11 Est. Actual	2011-12 Budget
Regulated Augmentation, Maintenance and Other	558.5	582.4	672.6
Customer Connections	220.6	185.0	219.3
Non-regulated and Generation	30.1	37.3	45.2
Total Capital	**809.2**	**804.7**	**937.1**

Finance and Administration Committee
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Question on Notice No. 20

Asked on 28 June 2011

THE COMMITTEE ASKED THE MINISTER FOR FINANCE, NATURAL RESOURCES AND THE ARTS (MS NOLAN)—

With reference to Budget Paper No. 2, page 99, regarding all government owned corporations and related offices and agencies, will the Minister advise full details of (a) all consultants (individual or corporate) utilised in 2010-11, (b) description of the task or project (where consultants were engaged for multiple tasks or projects, list each task and project separately), (c) payments made to date for 2010-11 and (d) payments expected to be made in 2011-12?

ANSWER:

The information in question resides with respective GOCs which are each separate legal entities run by an independent board of directors.

The provision of individual consultant payments cannot be provided without obtaining consent from all parties to the contracts.

The GOCs operate in a competitive market environment and undertake specialised functions as part of their core business. The commercial environment in which they operate necessitates the use of consultants in particular circumstances. As a general practice, the engagement of consultants is reserved for discrete commercial requirements where:

- a GOC does not have access to a consultant's specialist skill set internally and training would be considered impractical to address the requirement; or
- there is a requirement, such as legal or external audit, where a GOC must engage an independent consultant.

The State Procurement Policy has been notified as a public sector policy which applies to GOCs. In accordance with the contract disclosure obligations under the State Procurement Policy, affected agencies including GOCs (to the extent the Corporation is subject to the *Right to Information Act 2009*) will publicly disclose basic details of all awarded contracts (including consultancies) and standing offer arrangements of $10,000 and over, and additional contract details of contracts (including consultancies) and standing offer arrangements of $10 million and over.