

Documents Tabled at Estimates Hearing

Documents Tabled At the Hearing – 17 July 2014
No. 1– tabled by Mr C Pitt MP, Member for Mulgrave – Copy of letter to Mr Mulherin regarding request for internal review of RTI application
No. 2 – tabled by Mr C Pitt MP, Member for Mulgrave – Strong Choices brochure
No. 3 – tabled by Mr C Pitt MP, Member for Mulgrave – Media article on asset sales – Brisbane Times
No. 4 – tabled by Mr C Pitt MP, Member for Mulgrave – Chart – total fiscal deficits
No. 5 – tabled by Mr C Pitt MP, Member for Mulgrave – Treasury webpage information – Royal Children’s Hospital Site Project
No. 6 – tabled by Mrs L Cunningham MP, Member for Gladstone – Media articles – asset sales – Australian Financial Review and ABC Online News

Tabled by: Member for Mulgrave
At: FAE Estimates Hearing
Date: 17/7/2014
Signature: [Signature]



**Queensland Treasury
and Trade**

Our Reference: CAN395

04 APR 2014

Mr T Mulherin
Office of the Leader of the Opposition
PO Box 15057
CITY EAST QLD 4002

Attention: Mr Darren Cann

Dear Mr Mulherin

Application for internal review of a decision made under the *Right to Information Act 2009*

I refer to your application for internal review by email dated 13 March 2014.

I am authorised to deal with Internal Review applications made to the Department.

On 9 January 2014, on behalf of the Office of the Leader of the Opposition, you made an application for access to the following documents under the *Right to Information Act 2009* (the Act):

"...A list of consultancy contracts awarded by the department, broken down Company Name, Project Title, Start Date, End Date, Purpose and Cost."

I have considered the scope of the application, the original decision and the application for internal review.

Decision

I affirm the original decision.

Reasons for Decision

Based on my examination of the relevant documents associated with the application, I find the provision of the information requested regarding the four (4) consultancies

Executive Building
100 George Street Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone +61 7 3035 1933
Facsimile +61 7 3221 5488
Website www.treasury.qld.gov.au
ABN 90 856 020 239

would, in my opinion, disclose information relating to Cabinet considerations and, if released, could reasonably prejudice the confidentiality of those considerations.

The release of information which would disclose Cabinet considerations is exempt from disclosure under Schedule 3, section 2(1)(b) of the Act.

I also note that the four consultancies, for which information was not provided in the material released to the Office of the Leader of the Opposition on 18 February 2014, were not related to those identified in the Treasurer and Minister for Trade media release dated 20 December 2013.

The four consultancies referred to in the media release were undertaken by Queensland Treasury Corporation, not Queensland Treasury and Trade, and in any event would be considered outside the scope of the application.

In view of this, I support the position Ms Lederhose, the original decision-maker reached, namely that disclosure of the information is exempt pursuant to Schedule 3(2)(1)(b) of the Act.

Right of external review

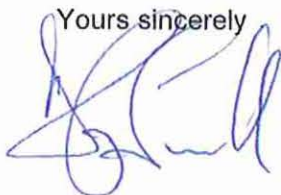
If you wish to apply for an external review by the Information Commissioner on receipt of this decision you are entitled to do so. External reviews may take some months to complete. An external review application must be made to the Information Commissioner within twenty business days from the date of this decision.

Your application can be lodged with the Information Commissioner in one of the following ways:

In person: Level 8, 160 Mary Street, Brisbane Qld 4000
Post: PO Box 10143, Adelaide Street, Brisbane Qld 4000
Fax: 07 3405 1122
Email: administration@oic.qld.gov.au
Online: <http://www.oic.qld.gov.au/external-review/application-external-review>

If you have any questions regarding this decision or your rights under the Act, please contact the Administrative Review Unit, Queensland Treasury and Trade on 3035 1863 quoting reference number CAN395.

Yours sincerely



David Smith
Assistant Under Treasurer, Fiscal Discipline Unit

IT'S TIME TO HAVE YOUR SAY!

The Queensland Government is committed to an open dialogue with Queenslanders about the challenges, opportunities and choices that confront us.

That is why we have launched the 'Strong Choices' website to gather your feedback as part of a broad consultation. The website is not a poll. It allows you to clearly understand the choices we face. It also allows you to tell the Government how you would deal with the debt and deficit and how best to invest the savings.



The 'Strong Choices' website is the simplest way you can have your say. You can also ask your local Member of Parliament for a 'Strong Choices' submission form.

www.StrongChoices.qld.gov.au



Tabled by: *Member for Malgrave*
At: *FAC Finance & Investment*
Date: *17/7/2017*
Signature: *[Signature]*

DEALING WITH QUEENSLAND'S ACCUMULATED DEBT PROBLEMS

HAVE YOUR SAY TODAY.

www.StrongChoices.qld.gov.au

Great state. Great opportunity.





Treasurer and Minister for Trade

Level 9, Executive Building
100 George St, Brisbane
PO Box 611, Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Facsimile 07 3220 6224
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

ADH 90 056 020 279

Dear Queenslanders,

This year, 2014, will be an important year of strong choices for the Government, and for all Queenslanders. Currently, our economy is growing at more than double the rate of the rest of Australia, and our population is growing too.

This is good news; with strong growth comes great opportunities. But it also brings growing pains. To build a vibrant future for Queensland, we urgently need more infrastructure and our modern services expanded. But we are being held back by long-term debt, accumulated by previous governments, of almost \$80 billion.

The cost of servicing that debt is \$4 billion each and every year, or \$450,000 an hour. That interest bill robs the Government, and all Queenslanders, of money we could be spending on the infrastructure and services we need for our growing population.

This booklet will tell you a bit more about the challenge of reducing this debt. Your input is important to us; we want to hear from as many Queenslanders as possible about the strong choices we have to fix the State's finances, and their own spending and saving priorities. We have launched an exciting new tool to make it easy for you to join this conversation.

To have your say today, visit: www.StrongChoices.qld.gov.au

This is your state and your future; thank you for having your say.

Kind regards

The Hon Tim Nicholls MP
Treasurer and Minister for Trade

STRONG CHOICES FOR A POSITIVE FUTURE

Queensland's economy is on the cusp of strong growth, with recent Queensland State Accounts showing our economy is growing at 4.1%. That is more than double the growth rate of the rest of Australia, at 1.9%.

While this is encouraging, we understand Queenslanders are not yet experiencing the full benefits of this new period of growth.

We know there is more to do.

So we are taking action to build a diverse, four-pillar economy, and are encouraged by current Treasury forecasts, which predict this strong growth will continue.

However, we are not immune from the broader structural challenges facing Australia,

particularly those related to an ageing population.

To maintain our standard of living and prepare for the needs of our growing and changing state, we are rolling out big plans for education, health and infrastructure. New schools, hospitals, roads, bridges and highways, together with new rail lines – these are all being planned for construction right across Queensland.

Interstate GSP growth 2012-13

Queensland's strong economic growth continues to outperform the national average.

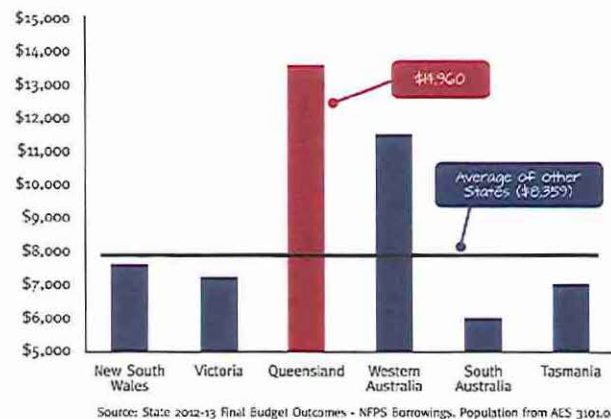


QUEENSLAND'S DEBT PROBLEMS.

TEN YEARS OF GROWING DEBT = \$80 BILLION

Before we can turn our big plans into reality, we must first deal with the accumulated debt of the past ten years. For many years in Queensland, Governments spent more money than they earned, with fiscal deficits totalling \$29 billion between 2006-07 and 2011-12, and locking in further fiscal deficits from 2012-13 onwards.

Borrowings per person at 30 June 2013

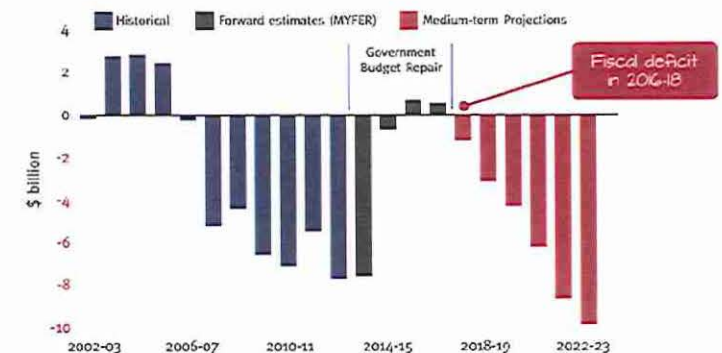


Queensland's debt per person is much higher than in any other state.

This Government came to office determined to repair the State's finances. As a result of disciplined planning and decision-making, we are on track to deliver a fiscal surplus in 2015-16 – **the first in a decade**. But without further action, a surplus will only be sustainable for two years, before Queensland returns to deficit, with a position that is projected to worsen.

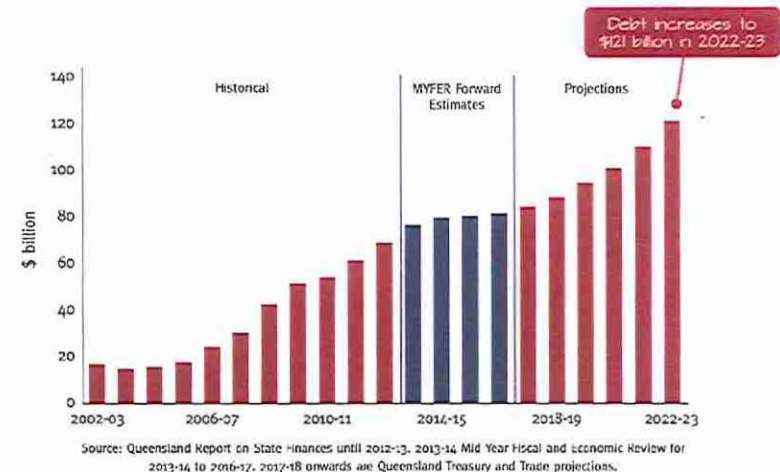
On current settings, the State's total debt will reach approximately \$80 billion next financial year, with an interest bill of \$4 billion every year. That is equivalent to more than \$16,000 of debt per person in Queensland. Queensland's debt levels are already much higher than any other state on a per person basis.

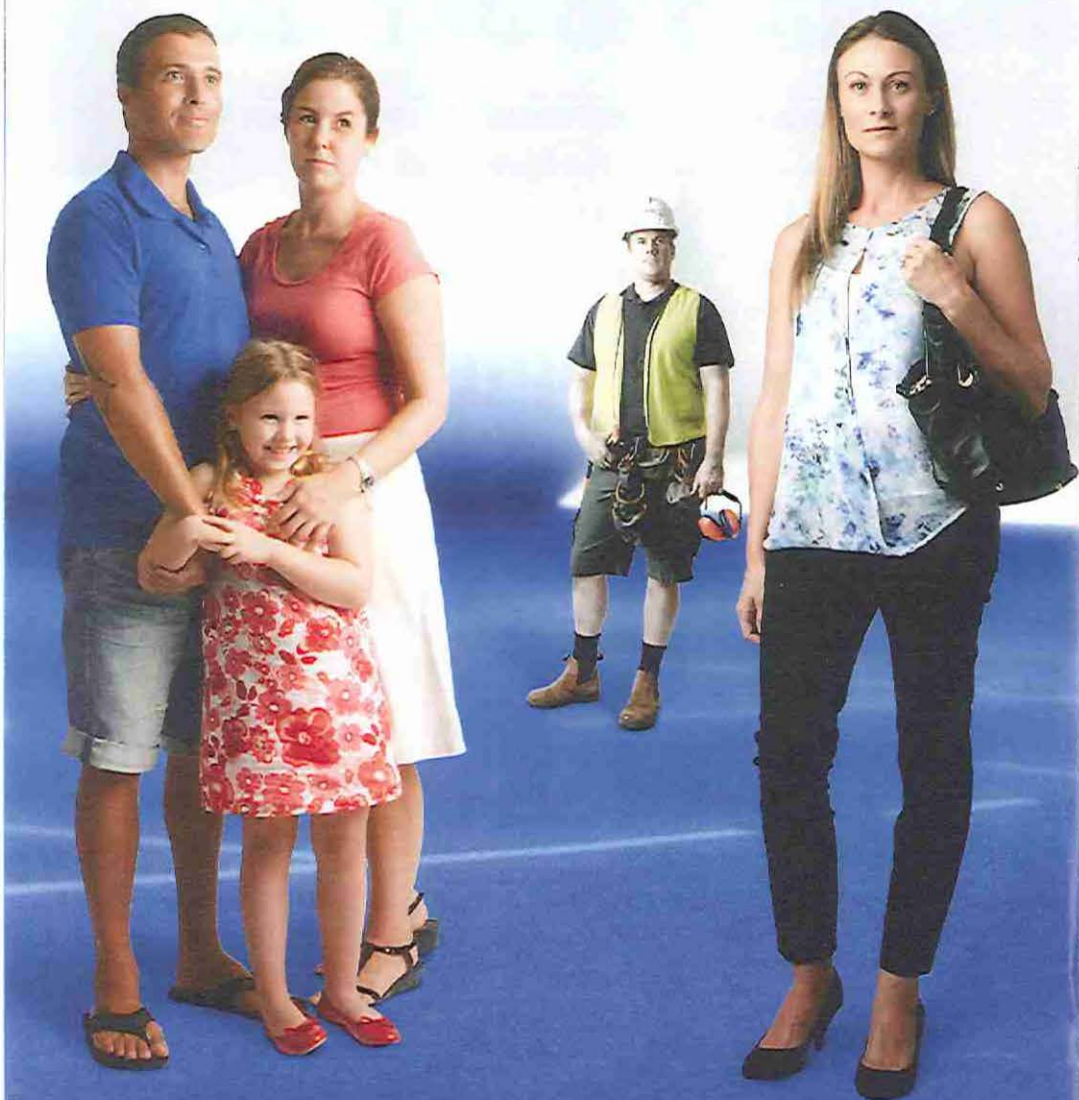
General Government Fiscal Balance Without Fiscal Repair



Unless action is taken, Queensland will return to fiscal deficit in 2017-18 and the debt will then continue to increase to \$121 billion in 2022-23.

Debt projected to grow on current settings





\$4 BILLION INTEREST BILL = FEWER HOSPITALS, SCHOOLS, ROADS

We all understand there are times when it makes sense to borrow to invest. As individuals we might do this when we take out a household mortgage or get a credit card. But we also know there is a limit to how much you should sensibly borrow. Debt comes with a substantial cost in the form of interest payments.

With Queensland's population of 4.6 million projected to increase to 7 million in just over 20 years from now, we will need modern infrastructure and more services across the State.

Queensland's \$80 billion debt currently costs the Government **\$4 billion in interest payments every year, or \$450,000 an hour.** That is money Queensland urgently needs as it builds for the future. \$4 billion could build 25 new schools, rebuild a 300-bed regional hospital and build 900km of highway.

To free up the money we currently pay in interest, Queensland must pay down its \$80 billion debt. Strong choices have to be made to make savings of this magnitude.

We can either: significantly increase taxes, reduce services, or lease or sell some government assets.

The strong choices we all make today will have a critical impact on the future, a future we all share as Queenslanders.

STRONG CHOICES:

SIGNIFICANTLY
INCREASE TAXES

—
REDUCE
SERVICES

—
SELL OR
LEASE SOME
ASSETS

Tabled by: Monboer for Mulgrawie
At: FAC estimates hearing
Date: 17/7/2014
Signature: [Signature]

<http://www.brisbanetimes.com.au/queensland/state-government-arms-war-room-wills-communication-experts-20140112-30oin.html>

State government arms 'war room' with communication experts

Queensland

Date

January 12, 2014

The government has called in the big guns to help sell both its asset sales agenda and bad financial news ahead of the next election.

In a pre-emptive strike, Under Treasurer Mark Gray, who was appointed to the role just two months ago, has alerted Queensland Treasury staff, through an employee-wide email, that he plans to address the department's "strategic communications" issues, by hiring outside consultants.

This includes how Treasury "present[s] complex information to the Treasurer and his staff, and then support[s] the Treasurer as he leads discussion[s] with his Cabinet and various Committee colleagues" and how "consistent and planned messages" can be presented to the wider community.

In the email, which was obtained by Fairfax Media, Mr Gray said he has appointed two "experienced people" from Phillips Group, which describes itself as a "world class, dynamic communication company...that works with organisations to address their critical challenges to achieve success" to "embed" with the department for six months.

A further two Phillips Group consultants will provide support.

"Our Communications team in Corporate Services is a great group and works flat out delivering a high standard service to the department, but I know that staff are stretched and have heavy demands on their time meeting internal needs," Mr Gray wrote to staff.

"I have therefore decided to supplement the capacity of the team by establishing a small strategic communications capacity to work directly with myself, the DUTs, the Treasurer and his Office in preparing simple and effective messages around complex policy and financial issues, and presenting consistent and planned messages to the broader community.

"Without in any way diminishing the importance of technical excellence in our content, I believe that our messages can be more effective if they are presented in more user-friendly and powerful ways, both to the Government and also to the community generally."

The Phillips Group consultants will work with the in-house Treasury communications team from the 9th floor of the Executive Building "and will be dealing heavily with executives and key staff in Queensland Treasury and Trade who are preparing briefings and submissions for the government".

One of those consultants lists experience with "projects of a sensitive and controversial nature...and negotiating mutually agreeable outcomes between different stakeholder groups" among her professional strengths, while another specialises in "issues and crisis management".

"They will also work with the Comms team to develop an updated communications strategy for the department going forward," the email states.

It is the strongest indicator yet the government is preparing its election arsenal. The premier and his ministers have repeatedly vowed not to sell assets without first obtaining a mandate, but with the government itself divided on the issue, it has a long campaign ahead of it.

The appointment of Phillips Group, which is already helping to prepare firms for "contestability" opportunities with Queensland Health, has also raised eyebrows.

"They are more than PR, it is a lot more strategic than that," one source close to the government said.

"You go to somewhere like Phillips Group when you are serious about the message you need sold. Or are mopping up."

The opposition's Tim Mulherin said while previous governments, his included, hired outside communication consultants, "it was usually for specific projects such as share floats".

"But this sounds to me like an expensive, publicly funded 'war room' that will be focussed on spinning the government's message in favour of asset sales in the lead-up to an election," he said.

"Treasurer Nicholls needs to explain why this stand-alone unit is needed and more importantly — if it is part of the government's pitch on asset sales — how much taxpayers will be out of pocket for work that should be billed to the LNP."

A spokeswoman for the Treasurer declined to put a price, instead directing Fairfax Media to its annual report.

Last financial year, Treasury and Trade spent \$123,927 on communications consultants.

When the Bligh government hired outside consultants to help sell the Queensland Rail float in 2009/10, it spent \$1,135,906.

Phillips Group is understood to operate on up to a \$20,000 monthly retainer. Consultants can charge up to \$280 an hour.

The spokeswoman said hiring external consultants was "a long standing practice", but would not go into detail about what particular messages they would be pushing.

"It's typically undertaken to manage periods of high work volume when existing departmental office teams do not have the capacity or specialist skill needed to deliver a particular outcome within tight timeframes.

"The public service plays no role in political campaigns."

General Government Fiscal Balance (\$M):

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Total</u>
2011-12 Mid Year Economic and Fiscal Review:	-7,290 ✓	-7,954 ✓	-4,200 ✓	-1,249 ✓	-20,693
2014-15 State Budget ***	-5,482 ✓	-7,741 ✓	-6,083 ✓	-2,271 ✓	-21,577
Difference:	-1,808	-213	1,883	1,022	884

*** For 2011-12 and 2012-13 the results are sourced from the Report on State Finances for each year at page 4-06 ***

~~5.8 B~~
~~5.4 B~~

Tabled by: Member for Mulgrave
At: FAC Estimates Hearing
Date: 17/4/2014
Signature: [Signature]

NFPS Purchases of Non-Financial Assets (\$M)

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Total</u>
2011-12 Mid Year Economic and Fiscal Review:	11,833	11,702	10,446	9,189	43,170
2014-15 State Budget ***	12,030	11,355	9,754	9,401	42,540
Difference:	197	-347	-692	212	-630

*** 2012-13 Estimated Actual from the 2013-14 Budget Paper 2 and 2011-12 Estimated Actual from the 2012-13 Budget Paper 2 ***



Queensland Government

Projects Queensland

Tabled by:

Member for Mulgrave

At:

FAC Estimates Meeting

Date:

17/7/2014

Signature:

You are here: Home > Projects > Royal Children's Hospital Site Project

Royal Children's Hospital Site Project

Status/phase

Value for Money Business Case Development

Description of project

With the transfer of services to the new Queensland Children's Hospital in South Brisbane in late 2014, the Royal Children's Hospital Site (RCHS) in Herston, Brisbane, will be largely vacated.

The RCHS project (the Project) was established to investigate options for health-related uses and other development opportunities for the 4.8 hectare RCHS. A site plan of the RCHS is attached for reference.

A decision as to whether to proceed with the Project, and in what form, will be made by Government when it considers the business case.

[Site plan \(PDF 300 K\)](#)

(<http://www.treasury.qld.gov.au/queensland/projects/royal-childrens-hospital-site/rchs-site-plan.pdf>)

Proposed Planned Procedure Centre

The Queensland Government has undertaken a preliminary assessment for the Project, which identified a Planned Procedure Centre (PPC) as the preferred health related use for the RCHS. The proposed PPC will provide routine elective surgery procedures, which will help to reduce waiting times.

The business case will test the scope, cost and benefits of a PPC and will also assess the potential for private sector involvement in the PPC.

Potential Site Redevelopment

If a PPC is developed on the RCHS, there is expected to be significant residual land available for possible redevelopment. Future development options on the balance of the RCHS are being considered as part of the Business Case.

Key dates

Government is expected to consider the Business Case in late 2013.

Contact

rchs@projectsqueensland.qld.gov.au (<mailto:rchs@projectsqueensland.qld.gov.au>)

Last reviewed: 24 October 2013

Copyright (<http://www.treasury.qld.gov.au/information/copyright.shtml>)

Disclaimer (<http://www.treasury.qld.gov.au/information/disclaimer.shtml>)

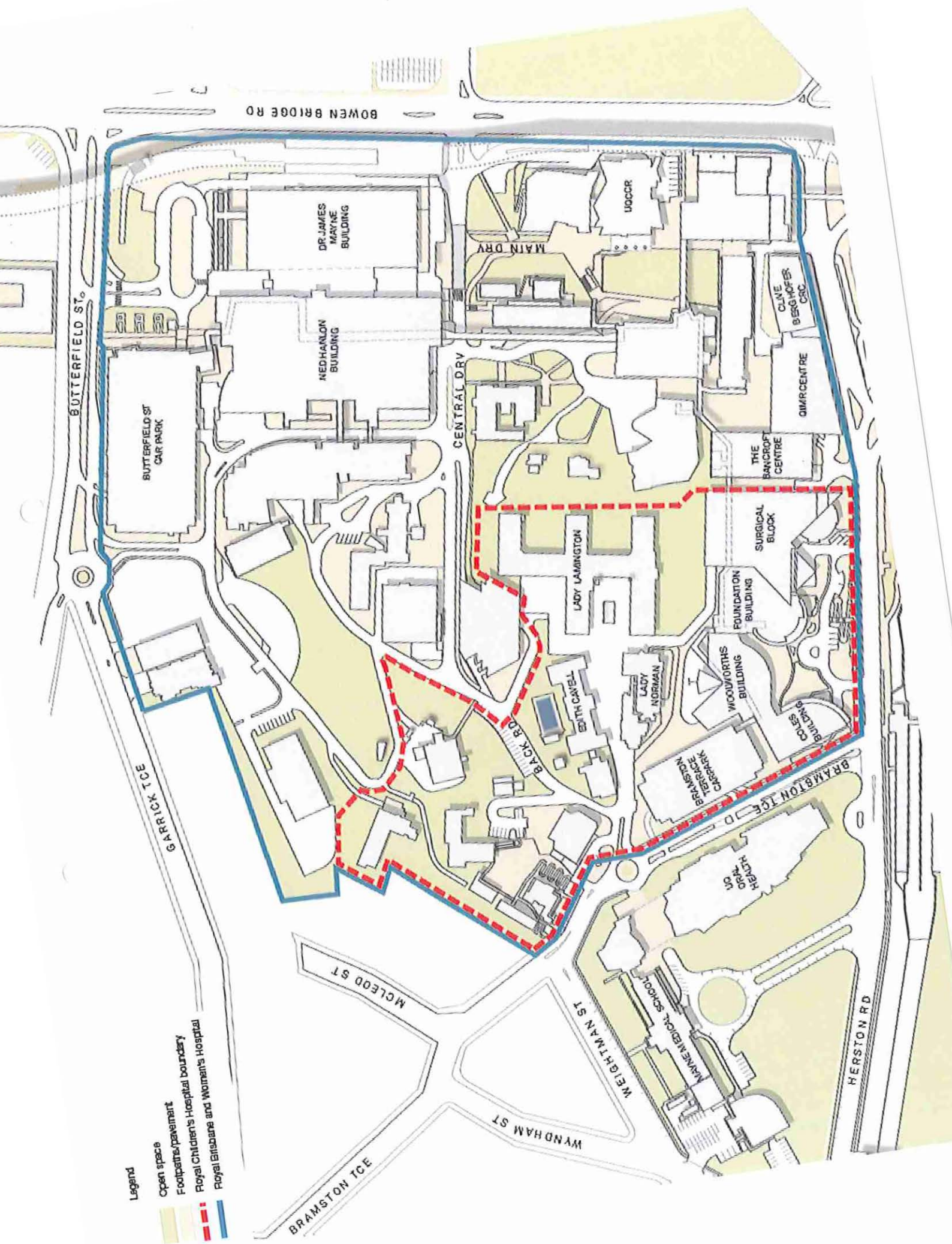
Privacy (<http://www.treasury.qld.gov.au/information/privacy/index.shtml>)

Right to information (<http://www.treasury.qld.gov.au/about/right-to-information/index.shtml>)

© The State of Queensland (Queensland Treasury and Trade) 2014

Queensland Government (<http://www.qld.gov.au/>)

Great state. Great opportunity.



Tabled by: Member for Gladstone

At: FAC Estimates Hearing

Date: 17/4/2014

Signature: 

Newspaper article from: **Australian Financial Review**

Date: **Wednesday 02/07/14** Page: 7

Port sales slammed.

Michael Bleby and Jenny Wiggins

Australians' grandchildren will suffer the cost of high sale prices for the privatisations of NSW ports, according to Maersk Line, the world's largest container shipping company.

While selling state-owned business to reinvest in infrastructure is growing in popularity since the \$5 billion privatisation of the two Sydney ports last year, Australian Competition and Consumer Commission chairman Rod Sims last week implied he might block asset sales that had the potential to push up prices.

Victoria should avoid the same trap of going for a high price when it privatises of the Port of Melbourne because this would lead to higher freight costs and worse productivity as the new owner sought to recoup their costs and profit, Maersk and another transport company, Asciano, said.

"Port Kembla had the potential to one day become a competitor to Port Botany but they were sold to the same buyer to maximise the sales price," Maersk Lines managing director for Australia and PNG Nicolaj Noes said.

There was a lesson for Victoria, Mr Noes said at the opening of a container terminal in Altona outside Melbourne.

"We would encourage that they don't use the model they used in Sydney where they sell it all off to the same buyer and forgo that opportunity of creating competition," he said.

"It potentially becomes a very high price that our children and grandchildren are going to pay because of a lack of competition."

Competition is now coming into Australia's stevedoring operations but there was a problem with the owners of the ports, Mr Noes said.

The Victorian government's plan to open a second container port at Hastings, south-east of Melbourne, was a chance to encourage competition but would likely be a wasted opportunity, Asciano chief executive John Mullen said.

"Melbourne is going to go the same way. You've got Hastings being touted as the next development," he said in a separate interview.

"Wherever the second terminal is, you can be sure that the government, when it sells the

existing terminal, they will put some sort of control around that ... [to block competition off from Hastings] so they maximise shortterm values."

Coalminer Glencore Xstrata this week complained in a submission to the federal government's review of competition that the prices it pays have risen at privatised ports, particularly in Queensland, where the Port of Brisbane was privatised in 2010.

Given that Australia's disparate ports have natural monopolies and don't ordinarily compete with each other, governments needed to think about the prices they got for privatised assets as the consequences were severe, Mr Mullen said.

"In Sydney and Brisbane, where governments have privatised those ports, we've had rent increases on components of up to 400 per cent," he said.

Over the next 99 years - the term of the lease on Ports Kembla and Botany- the price would be paid and felt by NSW exporters, Mr Noes said.

"Their commodities are paper and grain and timber," he said. "We're not talking iPads here - it's a very slim margin they operate on. When they compete with suppliers in Chile and South Africa or somewhere else, if the cost of doing business is a lot higher here in Australia, they're going to struggle to compete."

Copyright Provision: Copy recorded by the Queensland Parliamentary Library and Research Services for use by Parliamentarians only.

Disclaimer: No responsibility is taken for any transmission errors.

<http://www.abc.net.au/news/2014-05-26/asset-sales-being-narrowed-down-as-option-for-queensland-budget/5477894>

Asset sales being narrowed down as favoured option for Queensland budget: Treasurer Tim Nicholls

By Melinda Howells and staff

Updated Mon 26 May 2014, 5:28pm AEST



[Photo: Mr Nicholls says federal tax increases will have to be taken into account when he hands down his third budget next week. \(ABC News -file image\)](#)

Queensland Treasurer Tim Nicholls is continuing to hint that asset sales will be the preferred option to reduce debt, just a week out from the state budget.

Mr Nicholls has reiterated that federal tax increases will have to be taken into account when he hands down his third budget on June 3.

At a community cabinet meeting in Cooktown, north of Cairns, Premier Campbell Newman deflected questions about the budget to Mr Nicholls, who stayed in Brisbane.

Both men have pledged to seek a mandate from voters at the next election before proceeding with any asset sales.

Mr Nicholls says he will take a proposal on possible asset sales to Cabinet next Monday, ahead of the budget the next day.

The Government is considering selling the Townsville and Gladstone ports, the Townsville to Mount Isa rail line, as well as energy suppliers, Ergon and Energex.

It may also seek private investors to help fund power network upgrades in exchange for a share of electricity revenue.

Mr Nicholls says he has not had any detailed discussions with possible buyers or investors.

"We're still working through it of course," he said.

"It requires final Cabinet sign-off and sign-off by my colleagues, so I'll be taking our position to my colleagues for their consideration and hopefully endorsement.

"We'll be making the announcement next Tuesday as part of the budget."

Mr Nicholls told Radio 4BC that after the federal budget the public does not want the Government to increase taxes or cut services, leaving asset sales as the favoured option.

"Our choices are being narrowed down - do we want more cuts on top of cuts? Do we want more taxes on top of taxes?" he said.

"Or are we prepared to consider the sale or lease of a coal port like Gladstone or a coal-fired generator?"

"Those are the choices we face and I guess we'll find out on Tuesday [June 3]."

The Maritime Union of Australia (MUA) has warned the privatisation of two Queensland ports could leave taxpayers out of pocket.

MUA spokesman Trevor Munday says Queenslanders would bear the cost of increased charges.

"Any consumers in Queensland are likely to pay for more imported goods, and any producers that people who are using ports for exports. are going to see those export commodities be affected with additional charges as well," he said.