

ESTIMATES COMMITTEE A

Mr R. M. Harper (Chair)	Hon. D. J. Hamill
Mr P. D. Beattie	Ms J. C. Spence
Mr A. M. Grice	Mr L. J. Springborg

LEGISLATIVE ASSEMBLY (PARLIAMENTARY SERVICE)**IN ATTENDANCE**

Hon. N. J. Turner, Speaker of the Legislative Assembly
 Mr R. D. Doyle, Clerk of the Parliament
 Mr I. W. Thompson, Clerk Assistant (Table) and Sergeant-at-Arms
 Mr N. J. Laurie, Acting Subprogram Manager, Committee Office
 Mr R. J. N. Bannenberg, Parliamentary Librarian
 Mr R. E. Fick, Director, Corporate Services
 Mr M. J. Hickey, Manager, Finance
 Mr P. D. Morris, Manager, Human Resource Management

The Committee commenced at 9 a.m.

The CHAIRMAN: Good morning, ladies and gentlemen. I declare this meeting of Estimates Committee A open. The Committee will examine the proposed expenditure contained in the Appropriation (Parliament) Bill (No. 2) 1996 and the Appropriation Bill (No. 2) 1996 for the areas as set out in the Sessional Orders. The organisational units will be examined in the following order: Legislative Assembly, Office of the Governor, Parliamentary Commissioner for Administrative Investigations, Queensland Audit Office, Department of the Premier and Cabinet, Treasury Department and Department of Economic Development and Trade. The Committee has also agreed that it will suspend the hearings for the following breaks: morning tea, 11 a.m. to 11.15 a.m.; lunch, 1.15 p.m. to 2.45 p.m.; and afternoon tea, 4 p.m. to 4.15 p.m.

I remind members of the Committee, the Speaker and Ministers that the time limit for questions is one minute and answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of these time limits. An extension of time may be given with the consent of the questioner. A double chime will also sound two minutes after an extension of time has been given. The Sessional Orders require that at least half the time is to be allocated to non-Government members. I ask departmental witnesses to identify themselves before they answer a question so that Hansard can record that information in the transcript.

In accordance with the Sessional Orders dated 3 September 1996, a member who is not a Committee member may, with the Committee's leave, ask Mr Speaker, a Minister or a public official questions. In this regard, the Committee has resolved that it will automatically grant leave to any

non-Committee member who wishes to question either the Speaker, a Minister or a public official. The Committee has also resolved that Mr Speaker and each of the Ministers be permitted to make an introductory statement of no longer than two minutes.

In relation to media coverage of the Estimates Committee A hearing, the Committee has resolved that television film coverage be allowed for the Chairman's opening statement, Mr Speaker's and each Minister's opening statement, and that at other times audio coverage be allowed. Before we commence, I would just like personally on behalf of the Committee to thank the staff involved in preparing things for today; they have worked very hard and very capably. Our thanks go to Kerryn Newton, Sandy Rowse and Tania Jackman.

I now declare the proposed expenditure for the Legislative Assembly to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Mr Speaker, would you like to make a brief introductory statement or do you wish to proceed directly to questioning?

Mr SPEAKER: I would be delighted to make a statement, Mr Chairman. The 1996-97 Budget Estimates for the Parliament are the first for which I am directly responsible and it is with a great deal of pride that I appear before you today. As Committee members would be aware, the Appropriation (Parliament) Bill seeks to provide funding for salary and allowances for members of the Legislative Assembly and the Parliamentary Service, which provides administrative and support services to the Legislative Assembly.

At a time when the public expect more for less from the public sector, Governments are under pressure to achieve efficiencies in all of their programs and activities. Parliament and politicians are also expected to operate more efficiently and to deliver improved standards of service to constituents. However, if members are to fulfil their roles and responsibilities effectively, they must be provided with appropriate resources.

One of the challenges in framing the budget for the Parliament is achieving a balance between the needs of the Parliament and its members and the needs of the wider community. I believe that I have achieved that balance. The focus of the 1996-97 Budget Estimates is to assist members in providing better services to constituents. The total Budget Estimate for the Parliament in 1996-97 is \$39.1m, which is an increase of approximately 6.9 per cent over the previous year's budget.

The additional funding will be directed to: improved constituent support through the provision of second electorate offices in our five largest electorates; improved electorate office efficiency through the upgrade of telecommunications and office equipment; and improved parliamentary scrutiny of Government activities through the revised parliamentary committee system in the Legislative Assembly.

Estimates for the operation of the Parliamentary Service are, in the main, consistent with the previous financial year. In fact, the Estimates for the Parliamentary Service, excluding the committee office and electorate office support, have reduced by \$171,000.

Immediately following my election as Speaker in April of this year, I made a point of meeting personally with each manager within the Parliamentary Service. The purpose of these meetings was to gain a greater understanding of the issues impacting upon Parliamentary Service managers and staff at ground level. The meetings also provided me with an opportunity to advise individual managers of my expectations of them.

I am confident that the Budget Estimate before the Committee is reasonable and will allow me and my staff to provide the Parliament with the services and support that it deserves. Finally, I would like to briefly place on record my appreciation to the Premier and the Treasurer. Throughout the 1996-97 Budget development process, discussions concerning funding for the Parliament have been conducted in a positive and constructive manner, with appropriate recognition of the principles underpinning the separate Appropriation Bill currently before the Parliament. Thank you, Mr Chairman.

The CHAIRMAN: The questioning will commence with non-Government members.

Mr BEATTIE: Mr Speaker, at the outset, on behalf of my colleagues let me say that the service that is provided by Parliament and its staff is first-class, from Hansard, who produce miracles on a daily basis, as we all know, through to food, the attendants, the Library, the education unit and so on. There are some matters that I need to raise, though, the first being that one of the frustrations that we have from an Opposition point of view is, as you know, that our budget is in a sense partly administered by Premier's and partly administered through Parliament in the sense that my travel is covered from here, as is other members' travel. It really is an unsatisfactory situation and indeed in net terms, in real terms, this year the Opposition's budget has been cut. As Speaker, do you see a role for us either totally under the Parliament or totally under the Premier's, and if you do, do you have a preference?

Mr SPEAKER: Yes, Mr Beattie, I am aware of the problems that you have indicated in your question, and it is something that I am currently looking at. I believe that it would be far more appropriate if it was controlled in one sector or the other. My particular preference would be that it comes under my control here at Parliament House because I think that it would be more appropriate to have the Opposition handled through the Speaker, if you like, at Parliament House than through the Government of the day—through the Executive. Towards that end, it is my intention—and we have had discussions with the Premier's Department in this regard—to follow it up. My preference is that it be handled totally through here.

Mr BEATTIE: I direct a question to Mr Doyle, the Clerk. Mr Doyle, in recent times, the system for claims for members of Parliament has been streamlined reasonably significantly, and for that I think most members are grateful. There is still some duplication in terms of claims for different aspects of travel, for example, taxis and so on. I just wondered whether there was any consideration being given to reducing some of that bureaucracy and red tape to assist both your operations and also those of members? I ask that question within the framework—and I stress this—that things have improved significantly in recent times.

Mr DOYLE: I will ask Bob to answer that.

Mr BEATTIE: Perhaps Mr Fick could answer. I am quite happy to pass it on.

Mr FICK: With regard to the Handbook—the Speaker has indicated that he is keen to have a complete review of the Handbook with a view to taking those issues you raised into consideration. We appreciate that there are a number of matters, particularly with cab fares and smaller expenses, that require the same input, justifications and certifications as a very expensive overseas trip. It appears that it is simply a waste of time. We could look at a bit more risk management now and hope that with a review of the Handbook these things will be addressed.

Mr SPEAKER: Might I briefly answer? We are in the process at the moment of looking at a review of the Handbook right through the Parliamentary Service here and the Premier's Department with a view to overcoming some of the anomalies and concerns that have been expressed to myself and my departmental officers here in relation to the operations of the Handbook. I might point out that we are not looking at increasing the amount of money that is made available to members but rather streamlining the situation where there is duplication and a lot of concern. It is hard to interpret, really, what is meant in the Handbook. It is something that we are looking at and I would hope that we would have that review completed by February or March 1997.

Mr BEATTIE: Just in summary, what I am really getting at in the particular detail is that if someone authorises and signs "This matter is for parliamentary purposes", that should cover all travel associated with a particular trip, for example—

Mr SPEAKER: If I might cut in, that will be something that we will be certainly looking at in the review of the Handbook. I think there is an anomaly there that has to be overcome. We need to make it more user friendly, if you like, and more easily adaptable, if you like, for interpretation.

Mr BEATTIE: I have one more question, and it is for Mr Bannenberg. I was wondering whether the Library has an ongoing program to make it user friendly to members to directly access information. It is a matter that the Library has been looking at. I was wondering how far down the road we are with that and whether there are any new initiatives for the next year.

Mr BANNENBERG: As you say, we have been working on this for some time. There are two facets to it. We have the software available to be able to access our databases, but that is also dependent upon the structure of the information technology we are able to get in as well. We have been expecting delivery in the last month or so of a Windows program for our Parl-Airs—or Concord, as it is now called—program, which we hope will make things a lot easier for people to use. We also have the Easy Search front end, if you like, to the program. But we are still dependent upon members being able to take training to be able to use it and to get the requisite sign-on to access it either through modems from their offices or within the Parliament here. So we are addressing the problem. We do expect to get considerable benefits in the next, I would say, six months. Is that the aspect that you—

Mr BEATTIE: That is exactly what I wanted.

Mr HAMILL: Mr Speaker, I note that on page 4 of the Program Statements there is provision for an increase in the Parliamentary Service from 92 to 95 and an increase in Corporate Services and Members' Support staff from 295 to 300. We have only 89 members of Parliament. How many of those staff numbers represent electorate staff and how many members of Parliament have more than one full-time equivalent electorate staff member?

Mr SPEAKER: I am advised that the number is 102.75—if you can take it to a decimal point.

Mr HAMILL: What does that mean in terms of the number of members? There are 89 members. With 102.75 staff, who has more than one?

Mr SPEAKER: There are 89 members, plus the five additional officers and staff in the larger electorates. They make allowances for temporary relief and assistance and convert that to full-time, and that shows up in the figures to bring it up to that number.

Mr HAMILL: Could you perhaps supply us with that detail maybe later in the hearing?

Mr SPEAKER: Yes. We will furnish you with that information.

Mr HAMILL: There is mention at page 14 of your statement that the activities of the Parliamentary Catering Division are going to be reviewed. I was wondering what concerns you may have as Speaker regarding their current operations. Are there any areas that you see where they currently operate and where you think there might be a more effective operation, maybe by an alternative means, and whether it is the intention in the Parliament to follow the agenda that is being pursued elsewhere in Government to outsource services such as catering, security, grounds and maintenance?

Mr SPEAKER: There has been a suggestion that we should privatise and outsource, but it is my personal belief that the Parliament would be the poorer for that. If one looks at the amount of subsidy that is provided in the other States—I would not like to be held to the exact dollar, but I think they subsidise something like \$125,000 to members in Victoria—about \$1.3m, I should say—and I think it is

\$1.7m in Western Australia. In the Federal Parliament, where it has been outsourced, if you like, they pay top price for meals and they do not actually get top-price service. Most of the members who come here compliment the Parliament on the standard of their meals and the catering here. I believe that with the cuts that have been instituted, if you like, over recent years to reduce the numbers, it is down to a bare-bones minimum.

I think that we provide a fantastic service in that area. It has been my desire—and I have achieved the commitment, if you like, from Treasury in our round of Budget deliberations—to retain the services here. I believe that we are providing an efficient service for less money than if we privatised it and then had to pay members an allowance. Then they would not actually eat here; they would dine somewhere else. I think we have just about got the best blend or mix that we could at the present moment.

Mr HAMILL: I think that Catering does a great job. Do I construe from what you are saying that you do not anticipate that there will be any reduction in the sort of service in the areas in which the Catering Division is trading?

Mr SPEAKER: None whatsoever.

Mr HAMILL: I am one of those people who actually believe that this is a unique building in Brisbane. At a time when we have lost a lot of our heritage, Parliament House is a bit of a showpiece. I note that there has been an ongoing program of restoration on the exterior of the building. The stone restoration program has been running on for some time now. I note that, in the Program Statements at pages 15 and 19, expenditure this year is going to be \$344,000, yet it was \$12.3m last year. Are we seeing the end of that restoration program? If not, what further work needs to be undertaken, and will we see that continuing over future years?

Mr SPEAKER: It is an ongoing program over some 15 years. There have been moves, if you like, to actually reduce that figure. It tied in with another question that I might have expected to get today in relation to the televising of Parliament. We have been able to allocate funding to continue with the restoration of the old building. Like yourself, I believe that it is a very historic building and of tremendous significance. So it is my plan and desire to actually go back to the Treasury—to the Premier—to try to get additional funding even to further increase the level of restoration, or speed it up, if you like. That also relates to the Annexe. It is 20 years old. We have a need for refurbishment there. We have embarked on a program there. Not just in my time but in recent times the kitchen at levels 4 and 5 in the Annexe has been redone, the cafeteria at level 5, the VIP dining room at level 4, the committee rooms, and the Opposition offices—as you would be aware—on level 6. Since I came into the role of Speaker, I have embarked personally on a program to enhance the environment here, if you like—being aware of the tremendous historic significance of the place—and I have tried to lift the tenor in the dining room and around the corridors and up at level 7 so that Mr Beattie can get exercised up there in a happy environment!

Mr HAMILL: So the reduction in the program this year is really a bit of a hiccup?

Mr SPEAKER: It is only a hiccup as far as we are concerned, yes.

Ms SPENCE: My questions concern the increase in expenditure in your own office. I refer to the increases in printing from \$2,000 to \$5,000, the increase in computer equipment to \$5,000, and the increase in office equipment to \$3,000. I understand that these increases are for Mr Speaker's office. Can you explain why these were necessary?

Mr SPEAKER: Yes. A lot of material has to change over. There is a need for an allocation there in case there is the possibility that we need a new computer. It possibly will not be needed. That money rolls over. It does not get spent on any other particular area. It is the same as in the area of purchasing of gifts and that type of thing. There was a carryover when I took over in the office of Speaker, but that has all run down and we have to allocate additional money to rebuild our stocks in that particular area.

Ms SPENCE: You mentioned the purchase of gifts. That expenditure has gone up from \$500 to \$5,000 in one year. Do you expect to have a \$5,000 expenditure on gifts every year?

Mr SPEAKER: No, certainly not. As I said before, as I think you would appreciate, on coming into the job I found that although in the past a significant amount of money had been spent on building up a stock of ties, trinkets and gifts that one presents to ambassadors and to visiting dignitaries, that has run down virtually to nil at present. I do not envisage that there would be anything like that spent on an ongoing basis every year—not by any stretch of the imagination. But it is necessary to make purchases in that area to restock the gifts for those particular occasions.

Ms SPENCE: I refer to the increases in air fares for the Speaker, which have climbed from \$15,000 in 1995-96 to \$18,500 this year. Can you explain the need for that increase in expenditure?

Mr SPEAKER: Yes. It is necessary to go to different conferences. As the Speaker, I could possibly be looking at doing a trip to the UK to attend the Speakers Conference. If it is not used, it rolls over; it is only an allocation in that particular area in case it is needed.

Ms SPENCE: Can I clarify that this is only air fares; this is not travel allowance and is only for yourself?

Mr SPEAKER: Yes, that would be correct.

Mr HAMILL: On that issue of involvement with other Parliaments, I note at page 10 of your Program Statements that the line item for the Commonwealth Parliamentary Association shows an \$82,000 increase in expenditure budgeted for this year. In the notes, it is said that that is attributed to visiting delegations from the United Kingdom and Canada. Is that the only reason for such a big increase in expenditure? If not, what other activities are coming out of the \$82,000 increase?

Mr SPEAKER: I will refer to the Clerk on this matter.

Mr DOYLE: With the CPA, we have a group of UK members coming out in couple of weeks' time. They are going to spend a week with us. That is something that happens about every four or five years. We also had a Canadian delegation who were going to come here early this year but, because elections were sprung on them, they did not come. I still have to anticipate that they are going to come this year. I do not know whether they are or not. The problem with the CPA is that you do sometimes get the occasional visit sprung on you. You may get a group of politicians coming from the Pacific islands, and you might be asked to look after them for two or three days. Those were two expenses that we do not normally get. The New South Wales Parliament, for example, has people going through it all the time. Their CPA budget must be absolutely huge. It is more ad hoc with us.

The UK delegation that is coming out in a couple of weeks—they are coming in via Perth, then they are going off to Canberra and Sydney, and then they come up here. We will be looking after them for a week. As I said, that is something that happens about every five years.

Mr HAMILL: When you say "looking after them for a week", what is entailed in dealing with this sort of delegation?

Mr DOYLE: We have to pay for their accommodation, food and meals. We meet them at the airport. We transport them to the hotel. We are paying for the hotel. We organise functions for them here. We are going to take them on a bus trip to Noosa for the weekend that they will be here. I think that they are here for a total of seven or eight days. As I said, the Commonwealth Parliament looks after them in Canberra and the Western Australian Parliament looks after them in Perth.

Mr HAMILL: It is a fairly large delegation, is it?

Mr DOYLE: There are six plus their secretary, but almost all of them are bringing their spouses with them. So we have a group of about 12 or 13.

Mr BEATTIE: I will return to the question of committees. Are you happy with the current budget for the parliamentary committees? Do you believe that that is sufficient for the operations of the eight committees for which you are executive director?

Mr LAURIE: I would prefer not to make any subjective comment about the sufficiency of the budget for the Committee Office. What I would say to you is that this year there has been a significant increase in the expenditure for the Committee Office. That expenditure has come about for a number of reasons, mainly due to the fact that this is the first year for which the Committee Office been fully budgeted for all of its eight committees. Some additional resources have been given to the Parliamentary Criminal Justice Committee.

Mr BEATTIE: What sort of resources are they?

Mr LAURIE: The Parliamentary Criminal Justice Committee, in addition to an AO8 and a research

officer, will have for 70 per cent of the time a principal research officer at the AO7 level. There are some additional resources being given to the Scrutiny of Legislation Committee, which had not been budgeted for as such but will be coming out of various line items in the budget. The Scrutiny of Legislation Committee—this is the first year it has been budgeted for as such; in the past it had budgeted as the Subordinate Legislation Committee. I would not seek to make any comment on the sufficiency or otherwise of the budget; I would prefer to leave that matter for the Speaker. I point out that there has been an increase this year.

Mr BEATTIE: Are there any requests for extra staff on committees, such as the PCJC, that have not been met, or are they all satisfied in this budget?

Mr LAURIE: The only committee that has been making an additional request for staff is the Scrutiny of Legislation Committee. They have recently advertised a casual position at the AO4 level, which will be doing a lot of their administrative-type work and relieving some of the burden on their executive assistant and their two dedicated research officers. The research director for that committee did make that request for extra resources. It was also seen during the restructuring that there was a need for extra resources for the PCJC, which has also been catered for.

The CHAIRMAN: Mr Speaker, I refer to an article concerning Parliament House security contained in the *Gold Coast Bulletin* of 10 September of this year. In that article you were quoted as saying—

"There is likely to be many more checks, the use of identification cards for staff and media and utilisation of X-ray machines."

Could you tell us what impact these changes will have upon members and also what cost will be incurred in the 1996-97 year?

Mr SPEAKER: I think that it is common knowledge that there is a need to upgrade security, particularly in the present climate that we have in Australia. Recently, handcuffs were brought into the Parliament and a couple of girls handcuffed themselves to the gallery rail. There have been breaches at the Annexe. That is not really a breach of security because, unfortunately, we have had only attendants working there, not security staff. It is virtually impossible to screen everyone who comes into that Annexe, so there are breaches there. I have visited the New South Wales Parliament with the Director of Corporate Services, Mr Fick, and the Security Coordinator, Ms Geraldine Broerse. We have had a look at the situation in New South Wales. Of course, we have problems here in the Queensland Parliament that are different from those in New South Wales, but we did get some useful information. I have had a meeting with my departmental people and with the police in relation to the security of the perimeter of Parliament, in view of what happened in Canberra on two occasions recently and what has happened here, to put together a contingency plan to overcome those things. To get back to your question, I believe that there will be little impact at all on members of Parliament, because they are well

known to the security staff, as are their families. The wearing of passes will be restricted to parliamentary staff, to visiting departmental staff and to members of the media and visitors to the complex. All Parliamentary Service and ministerial staff are presently provided with identification passes. I might add that those cost the Parliament \$10 to produce. We will be looking at whether we pass that particular cost on so that they are applied for only by people who have a genuine need for one.

I am looking at the introduction of X-ray scanning equipment similar to that used in airports and other Parliaments. The cost of that equipment is in the vicinity of \$40,000. I do not believe that it will impose any great restrictions on people because you cannot travel anywhere today without having to go through an X-ray machine in any airport. So it is not something that is innovative.

Funds have not been provided for the equipment in this budget. However, I hope to set aside funding for this in the future. I believe that any funding for security should be considered in the context of a total review of the needs of the parliamentary complex which, as I have indicated in relation to refurbishment and so forth, I will be taking up with the Treasurer and the Premier in the not-too-distant future.

Mr GRICE: Page 13 of your Speaker's Program Statements contains information regarding the 1995-96 performance of the Property Services Section. This Committee notes that the section introduced a new stock control and inventory system. Could you detail for us the savings and benefits that have accrued following the introduction of that system?

Mr SPEAKER: I will ask the Director of Corporate Services, Mr Fick, if he would respond to that.

Mr FICK: Mr Grice, as yet, we do not have any idea of the savings. We anticipate that there will be. Prior to this year, we spent about \$300,000 on stores and stationery for this complex. That was handled through a manual system at our main store down on level 1. We have introduced a computerised system now—a stock control system—which looks after purchasing, distribution and just general stock control. We produce reports for all managers, and I believe that it makes the managers of the place more conscious and aware of their expenditure. I would hope that once it has been in place for a few more months we would be able to see some savings there—the managers being aware of their expenses.

Mr SPRINGBORG: Mr Speaker, earlier on you alluded briefly to the televising of Parliament. Can you inform the Committee whether any allocation has been made in the 1996-97 Budget for the televising of Parliament?

Mr SPEAKER: I think one should, first of all, indicate the history of that particular initiative. It was put forward to Treasury in January 1996 to be a new initiative in 1996-97. The former Government's Cabinet Budget Review Committee met in February 1996 and decided to provide \$354,000 in the 1995-96 Budget for the broadcasting of Parliament. With

the change in Government, the Treasurer wrote to me regarding a range of saving options for the Parliament's budget. Essentially, Treasury proposed that the broadcasting of Parliament funding should be reduced from \$354,000 down to \$200,000 and ongoing funding withdrawn completely and for the restoration of the stonework on Parliament House for 1996-97 funding and beyond to be completely withdrawn.

When the broadcasting of Parliament initiative was first put to Treasury, I understand that the original plan was for the Parliamentary Service to provide the capital equipment and the networks were to meet all the transmission, production, material and labour costs. When I became Speaker, it emerged that this was not going to be the situation at all. In fact, the media had indicated that they were not prepared to contribute at all. The cost had risen significantly. On top of that, Parliament was to be required to provide an operator at an annual cost of \$30,000 a year to do the actual televising of Parliament and pipe it out to the television stations. So it was going to be a fairly onerous burden.

On 23 April, I met with the Cabinet Budget Committee to discuss the Treasury proposals. At that meeting, it was decided that the broadcasting of Parliament would continue only on the basis of the facilities that are there at the moment and the savings realised under that initiative, the \$344,000, would be available in 1996-97 for the stone restoration program. These decisions were taken at the time I met with the CBC to discuss the proposal. Negotiations are still continuing regarding the ongoing costs associated with the initiative.

I placed a high priority on the stone restoration program and believed that it should go ahead of the broadcasting. I also believe in the user-pays philosophy in that television crews are allowed into Parliament and up in the gallery to televise Parliament at any time they like, and they are doing so at the present moment on a user-pays basis under conditions and guidelines that we have laid down.

One of the things that concerned me at the time under the original proposal was that the Parliament was to lose the in-house television that we have that is such a useful adjunct for Whips and other members of Parliament. That was to be taken out with just the television focusing on the speaker if they spoke for 30 minutes and televising that straight out to the television studios, whereas previously members could study the Parliament in their offices or in the Whip's office and count the numbers that were there. I believe that it was far better to proceed the way that we did.

The CHAIRMAN: Page 2 of the Speaker's Program Statements contains information regarding major new initiatives in 1996-97. I note that electorate office telephone systems will be upgraded—a point that I am very interested in given the condition of my electorate office phone. Can you advise the Committee of the overall cost of this initiative. Also, what are the expected benefits of the upgrade?

Mr SPEAKER: To start with, an amount of \$235,000 has been included in the 1996-97 budget to provide Spectrum Gold where available and

rented Commanders in the remaining offices as an interim measure—\$58,628 for installation, \$27,370 for optional headsets and \$149,000 for ongoing annual rental. The current telephone system, I might add, in members' electorate offices, the Telecom Commander T105 or similar were purchased in 1984-85—some 12 or 13 years ago. The T105 system is a one-line system that allows call-hold, intercom and transfer facilitates on the main electorate office telephone service. This one-line system does not allow for the installation of the member's silent line. In the member's absence, electorate officers are unable to answer calls on the silent line from the Commander headset.

As all members are aware, these systems are now technologically inferior and are becoming increasingly difficult to repair owing to the scarcity of spare parts. The State Government's telecommunications agency, Pacific Star, has been consulted and recommended that the ultimate solution for members' electorate offices would be to provide Telstra's Spectrum Gold system as this would continually offer the latest technology as well as discounted call costs.

Calls to other Spectrum Gold users are free, as well as substantial savings on all STD calls. Spectrum Gold is presently not available in all electorate offices. It is proposed to upgrade to a modern, rented Commander system for these locations in the interim. Spectrum Gold will necessitate the changing of the electorate office telephone numbers, but I am sure that all members would agree that the benefits to be had with this new technology greatly outweigh the short-term inconvenience. Call redirection will be provided for a period as part of the conversion.

I think it is common knowledge among members, as the number of members who have approached my staff and me personally in the last five or six months since I have been Speaker have indicated, that there is a very real concern in relation to the need to upgrade the telephone service. So I must say that I am delighted to have been able to allocate the money, if you like, towards rectifying an ongoing problem that needed to be addressed a long time ago, really. That is the situation in relation to it.

Mr GRICE: Mr Speaker, on page 2 of your Speaker's Program Statements mention is made of a review of the Members' Salaries, Allowance and Services Handbook. Could you detail to us how this review will be conducted? Who will conduct the review and when do you anticipate the review to be completed?

Mr SPEAKER: Thank you for the question. I did partly indicate the answer to that in response to a question that Mr Beattie raised earlier. The review is to be conducted and we have commenced down that road. The methodology and terms of reference have not yet been finally decided. I will be consulting with the Premier. I have already had meetings with him in this regard.

I am aware of the numerous concerns and suggestions that have been put to me by members and I will be taking these into consideration in the

process. It is my intention to make the Handbook more user friendly for both members and parliamentary staff who are required to administer the Handbook. I plan to allow increased flexibility without increasing the cost to the Parliament while continuing to comply with the necessary controls and scrutiny.

The review is to be carried out by the officers of the Parliamentary Service and the Premier's Department and, I might emphasise, under my direction. It is not being run from anywhere else. We do that and we know full well the problems and double handling presently experienced with the current Handbook. There wouldn't be a member of Parliament at the present moment who is not aware of the unwieldy way in which this has been put together. I am not apportioning any blame to anyone, but it is long overdue that we get something that is user friendly, from which people can understand what their entitlements are, and that they are spelt out clearly and concisely. I intend it to be a thorough review. I expect it will be completed by February/March 1997. I cannot give you an actual commencement date, but my desire would be that it would commence within the next three or four weeks.

Mr GRICE: You would be as aware as anybody in the Parliament how vitally important electorate secretaries are in supplying support. In my short time in Parliament, I would agree with every member, particularly backbench members, that the amount of time spent, the amount of questions answered by and the amount of issues raised in electorate offices seem to be increasing continually. Do you see any possibility for the provision of part-time or secondary assistance, from a labour point of view, particularly for back benchers, who only have one electorate officer to draw on for all sorts of things?

Mr SPEAKER: My immediate answer would have to be: yes, I think there is a definite need. However, within the budgetary constraints imposed upon us in the present economic climate, I cannot indicate that we have the funding to comply with your request to provide additional, part-time staff to do that type of research. We are moving in other areas too, as I indicated, in relation to telephones. The cost of electorate secretaries at the present moment, I am advised, is \$3.361m.

I would like to find the money to totally refurbish Parliament in the next 12 months to bring it back to its original grandeur. I do concede that there is a need in that area, but we have to recognise that it was not so many years ago that we did not have electorate officers or electorate offices at all. That is something that we will be working on and keeping in mind. I would hope that in the future at some time, without my being able to put a time on it, the Government would find the funds and recognise the need to comply with your request, because the additional assistance is certainly needed.

Mr SPRINGBORG: Mr Speaker, I note that on page 2 of the Speaker's Program Statements you identify improved asset management within the Parliamentary Service and parliamentary precinct as a

long-term strategic issue. How do you intend to address this issue in the coming year?

Mr SPEAKER: The Manager, Property Services, recently prepared a physical assets strategic plan for the parliamentary precinct. The plan identifies current and future needs based on an assessment of all existing physical assets. The plan has identified recurrent costs, associated maintenance replacement and upgrades to infrastructure assets. That is in the Parliamentary Annexe and Parliament House. The plan outlines a land and building program for the next five years covering stone restoration, Annexe refurbishment and ongoing minor works and maintenance. Of course, the plan will be of little use unless it can be implemented. In order for implementation to take place, there will need to be a certainty of funding. The budget for the Parliament includes an annual allocation for capital works. However, this is proving insufficient to meet needs.

From time to time, the Parliament also makes application to the Department of Public Works and Housing for funding under the Office Accommodation Program. Access under this program, however, is limited to refurbishment purposes. Funding under this program is a year by year arrangement and, depending on Government priorities, there is no guarantee that funds will be available.

The buildings within the parliamentary precinct must be maintained to an appropriate standard. Within the next few months I will be writing to the Treasurer with a proposal to ensure that the accommodation needs of the Parliament, as outlined under the physical assets strategic plan, are met. The proposal will seek some commitment to ongoing funding for necessary work on the parliamentary buildings. I can assure you that, with the Annexe being 20 years old and with some of the problems that we have experienced there, we are actually investigating the whole exterior of the Annexe to see what needs to be done to upgrade it and to ensure that it does not deteriorate any further. As I have indicated before, there is a need for restoration works to continue in the magnificent venue that we are in at the present moment, and that needs additional funding. That is something we are working on. As I indicated before, I am happy in the sense that we have been able to allocate the funding to continue this year, and we will certainly be looking at all those things as time progresses.

Mr SPRINGBORG: My next question relates to the upgrading of hardware and software in electorate offices. I am aware that over the last few months members have been provided with upgraded hardware and that there is also a staged program to upgrade the software in the offices, to train the electorate officers and to provide members with modems for remote access over a period. Can you outline to the Committee the progress of this and any difficulties that may have been suffered?

Mr SPEAKER: I will ask Mr Fick to respond.

Mr FICK: As you are aware, we have started our training program with the electorate officers. We are part way through that at the present time. We

anticipate that we will be finished either late this calendar year or very early in the next calendar year—January or February. The reason for the delay has been that to date we have tried to get the electorate officers down here for training only when the House has not been sitting. Because of the sitting schedules, we have had to rethink that program. We are conscious of the need to get this up as soon as possible. As I say, we would hope to have it finalised by the end of this calendar year.

Mr SPEAKER: In relation to the training room, in the review that I am taking of the whole Parliament I have handed back the table tennis room on level 7. The room was utilised for the training room, but it didn't comply with workplace health and safety standards. That has gone back to being a table tennis room. I have allocated the former Speaker's dining room on level 5 as a training room, and it is more useful to them there. I understand that they are quite content or happy with that particular arrangement.

Mr SPRINGBORG: With regard to the remote area aspect of my question, what is the time frame there for, hopefully, bringing electorate offices on-line so that they are able to access services within the Parliament remotely? What sort of problems have been experienced there, if any?

Mr FICK: Immediately after we do the training with the electorate officer, we will install the software into the member's office and link up the modems at that stage. We have found that it works better if the electorate staff are trained before the software goes out, so it is an ongoing process.

Mr GRICE: I am sure you and every Speaker in parliamentary precincts across Australia would have been surprised to learn of the extent of the more than \$300,000 worth of damage done to the Federal House. How do you see your responsibility to protect the assets of this Parliament? What steps have you taken to do that?

Mr SPEAKER: As I indicated previously, we have had initial meetings with the Police Service and my departmental heads in relation to the perimeter service, if you like to use that terminology, and what sort of contingency plans we may put in place. It grieves me in many ways to think that in the Federal Parliament irresponsible people, albeit a small section, could actually take sledgehammers and crowbars to the doors of Parliament, smash their way in and endanger people's lives. I think that it is incredible that that can happen and that it did happen on consecutive days by different groups.

I would not like to be a Speaker of the Parliament who puts police and security people's lives at risk, as happened down there, and who did not take some sort of action, whatever the police may decide is the appropriate action in consultation with us. I don't intend to mention what that might be. But it does concern me to think that actions like that could endanger innocent people's lives. I do believe that it behoves us to look at that security aspect of the perimeter of the Parliament to protect what we have here. So we are taking action in that regard. I can assure you that it is of concern. I have no intention to preside over a "go softly" attitude

whereby we allow the assets that we have got here to be destroyed because we didn't take any action.

Mr HAMILL: Mr Speaker, what eligibility criteria have to be fulfilled before someone can obtain a voluntary redundancy from the Parliamentary Service?

Mr SPEAKER: I will call on one of my officers to respond to that.

Mr MORRIS: In terms of offering summary or voluntary early retirement, there would need to be an official scheme established through the Australian Taxation Office. So we would have to write to them explaining the conditions of what we wanted to do.

Mr HAMILL: Sure, I understand how that side of it works. Does that mean that a position has to be done away with before someone could be offered such a retirement?

Mr MORRIS: Not necessarily. For a voluntary early retirement, there could be a number of factors that an organisation is considering. For example, if a business was actually moving location, not actually losing jobs, it may look at using a voluntary early retirement scheme to deal with staff who didn't want to move. So a variety of criteria could apply.

Mr HAMILL: Mr Speaker, I noticed that in your answer to questions on notice there were seven parliamentary officers who were offered VERs in 1995-96. The program statement shows that there was an overrun in the budget for that. What was the total sum of money paid out for VERs in 1995-96?

Mr SPEAKER: I would have to ask one of my officers. I wouldn't have that figure at the moment.

Mr HAMILL: We will take that one on notice. I notice that one of the people who took a VER was a driver to a number of former speakers, Mr Damien Glancy. I was intrigued at this, because I understand you have engaged a driver. I was wondering what has changed in the job description of the driver such that Mr Glancy can have a voluntary redundancy and you engage another driver?

Mr SPEAKER: The driver whom I employed, I employed him then as a driver/clerical assistant in the office, because he does have skills in that particular area and doesn't just exclusively drive for me as a driver.

Mr HAMILL: So he is administrative support as well?

Mr SPEAKER: He is the driver/assistant in the office.

Mr HAMILL: What sorts of qualities would you look for in a person who had such a responsible position?

Mr SPEAKER: As you would in every other area—integrity, ability and the capability to work with that person.

Mr HAMILL: Mr Speaker, are you aware that the gentleman you engaged as a driver and for such a responsible position is a Mr Choveaux?

Mr SPEAKER: Yes, that is correct.

Mr HAMILL: Is that the same Mr Choveaux who is described at page 400 of the Carter

commission of inquiry as the most dishonest witness who had come before Mr Justice Carter? Is he the same witness who was accused by His Honour of being evasive, prevaricating and being untruthful? Is he the same person who Mr Justice Carter described as immature, arrogant, rude and offensive and for whom the oath was but a useless formality? Does that sit well with a person who has such a responsible position in the Speaker's office?

Mr SPEAKER: Let me assure you that it is the very same person you talk about who Justice Carter mentioned in those terms. Let me also assure you that Justice Carter was the judge. Justice Carter was employed by the Criminal Justice Commission on 2 October 1992 to conduct an investigation into the Joh jury. At that particular time, Justice Carter was conducting an investigation into Operation Trident, in which the CJC, the car stealers and the police were mentioned. He was still conducting interviews and could conceivably have brought down adverse findings into the CJC when they approached him on 2 October 1992 to conduct that investigation in which he castigated Mr Choveaux. The terms of reference that were set down by the Criminal Justice Commission and by Justice Carter on 2 October 1992 included the major term of reference to look at CITEC, the computer system, to see whether it had been tampered with to put a juror's name up. In actual fact, it was the only term of reference that gave them the opportunity to conduct that investigation, being the only term of reference that was a unit of public administration.

On page 476 of Mr Carter's report, if you care to look at it—seeing you have studied the pages of the report—you will find where Mr Justice Carter stated that he concurred with the findings of, I think the name was, Kerry Jennifer Jane Smith, who happened to be the woman operating CITEC, and the report of Inspector Huddleston to the Criminal Justice Commission is relied upon to prove that there has been no interference with CITEC. That report he listed there was provided to the Criminal Justice Commission—I think it was November 1991—which—

Mr HAMILL: Mr Speaker, with respect, I am just asking: is this germane to the position of Mr Choveaux, because Mr Choveaux was also described by the Premier as being—

Mr SPEAKER: You asked the question and I am answering it. You asked the question and I have not finished answering it.

Mr HAMILL: I just wondered whether it was germane, Mr Speaker.

Mr SPEAKER: The point I am making is that you appear to have drawn some analogy that the person I have employed has been castigated by Mr Carter in a particular inquiry.

Mr HAMILL: And he has.

Mr SPEAKER: Absolutely.

Mr HAMILL: He was.

Mr SPEAKER: And I am telling you that in that inquiry Mr Carter, QC, as well as the Criminal Justice

Commission, knew that there had been no interference with CITEC in November 1991, but one year later ran that inquiry. So I just put another spin on your particular question. I believe that Mr Choveaux is a man of integrity and ability, and I make no apology to you or anyone else for employing him. Thank you.

Mr HAMILL: I note your comments, Mr Speaker. I just note also that they seem to be at variance with the views of Mr Justice Carter, and I presume from their published comments, Mr Borbidge and also the State National Party President, Mr Don McDonald.

Mr SPEAKER: I am not responsible for other people. But I also have my views in relation to Mr Carter and that particular inquiry, as I elaborated.

Mr HAMILL: I would have concluded that, Mr Speaker, from your comments.

Mr SPEAKER: Yes. It is a rather interesting comparison I have made. It would behove you to look at it.

Ms SPENCE: Mr Speaker, I refer to the morning and afternoon tea for the "getting to know you" functions that Mr Choveaux organised and held in Parliament House. Who other than single female members of the parliamentary staff were invited and for what purpose? Who paid for these functions and how much did they cost?

Mr SPEAKER: I couldn't provide you with that offhand. I will take that on notice. I don't usually write down who my staff have cups of tea with.

Ms SPENCE: Thank you. We will take it on notice.

Mr SPEAKER: I beg your pardon?

Ms SPENCE: We will take it on notice. Thank you.

Mr HAMILL: Just one last question. I think time is running out, Mr Chairman.

Mr GRICE: Mr Chairman, how is the 50 per cent split—

The CHAIRMAN: We will take one question from Mr Hamill and then Mr Grice.

Mr HAMILL: Just following from a question that Mr Springborg asked concerning the Parliament—I notice, Mr Speaker, you were commenting that in your discussions with the Cabinet Budget Committee there were a number of areas that were being sought to be cut. Is it fair to say that it is the capital program for the stone restoration works which was the actual program in the Parliament which was cut in that process?

Mr SPEAKER: It wasn't cut. We are talking about a need, if you like, overall for reductions in our budget at that particular time when the Cabinet Budget Review Committee was looking at reductions overall. As I indicated in my response earlier, I believe that it was far better, if you like, to drop the televising of Parliament, which was going to cost not only something like \$400,000 out of our budget but an ongoing \$30,000 a year, rising, and divert that

money, or funding if you like, to continue with the restoration of Parliament.

Mr HAMILL: So where did the cuts fall, or was it a case of being able to negotiate your way successfully with the Cabinet committee?

Mr SPEAKER: I think you've been before Cabinet committees.

Mr HAMILL: I sure have. You are a very successful Speaker in negotiations?

Mr SPEAKER: I like to think that I break about even.

Mr HAMILL: I think you got an increase, didn't you, Mr Speaker?

Mr SPEAKER: Yes.

Mr GRICE: Mr Speaker, you touched previously on the condition of the Parliamentary Annexe. Could you elaborate on that? I think I speak on behalf of 88 other members in seeking a comment on the lift situation and its future.

Mr SPEAKER: I think that it's been quite a good building, but it's 20 years old or in that vicinity. It certainly needs a lot of refurbishment, if you like, to bring it up to a standard that it should be. There is a very real need for work to be done not just on the exterior. I don't intend to go into that in detail. There is a problem with the lifts and with the bedrooms. There is a very real problem in relation to the overall accommodation, if you like, in the old Parliament House and the Annexe in providing the office

facilities for the increased numbers of committee members.

I envisage that in the not-too-distant future, if there comes a situation where we get an increase in the number of members of Parliament, we will not have the room here to provide accommodation for staff and members. In relation to doing something with the lifts, we are looking at that costing us something like \$3m. We would have to look in the future at probably having another high-rise somewhere in these environs, or we might have to look at shifting across the road or into some other facility and shifting out some of the staff. We are virtually at the maximum level of occupation here at Parliament House. We do not have very much spare room, if you like. But I take on board the point you have raised. The Annexe needs a lot of upgrading. If one looks, as I mentioned before, at the kitchens, the dining room, the VIP room, what has been done in the committee rooms and what has been done to the Opposition offices, I think you can appreciate the standard of work that has been done and the level of improvement that has been achieved. We hope to continue on with that until we have something that we can all be proud of.

The CHAIRMAN: Thank you, Mr Speaker. The time allotted for consideration of the Estimates of expenditure for the Legislative Assembly has now expired. I thank the Speaker and his officers for their attendance. The hearing is suspended for a couple of minutes while we make the changeover.

OFFICE OF THE GOVERNOR**IN ATTENDANCE**

Hon. R. E. Borbidge, Premier

Mr J. O'Connor, Official Secretary

Mr S. Blinkhorn, Executive Officer

The CHAIRMAN: I reconvene the meeting. The next item for consideration is the Office of the Governor. The time allotted is 10 minutes. For the information of the new witnesses, the time limit for questions is one minute and for answers is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of these time limits. An extension of time may be given with the consent of the questioner. A double chime will also sound two minutes after an extension of time has been given.

As set out in the Sessional Orders, equal time is to be given to the Government and non-Government members. For the benefit of Hansard, I ask departmental officers to identify themselves before they first answer a question. I now declare the proposed expenditure for the Office of the Governor to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

The first period of questions will commence with non-Government members.

Mr BEATTIE: My first question is in relation to page 1-4 in relation to the budgeted capital grants of \$265,000 being underspent by \$170,000 last year. I wonder if Mr O'Connor or Mr Blinkhorn can give me some indication of why that was the case. Further down on the same page, I notice the unrequited transfer of \$131,000. I just wonder what that represents.

Mr O'CONNOR: Justin O'Connor is my name. I am the Official Secretary, Office of the Queensland Governor and CEO. In relation to the question, I will start by saying that the highest priority capital works for the Office of the Governor for the last several years has been the installation of an effective fire detection, fire prevention and occupant safety regime within Government House itself. This results from an external risk assessment that was conducted in 1994 where fire was assessed as the greatest risk both to property and life in relation to the Governor. What we attempted to do was to get that highest priority capital works project off the ground in the financial year 1995-96. We were successful in raising a proposal and having parliamentary works committee approval given for that, but essentially through Heritage Council considerations the start of that process was delayed until July 1996. The funds that were allocated in 1995-96 to undertake and commence that project were, accordingly, not spent at the rate that they were programmed to be spent. We did spend \$30,000 of those funds that were allocated, but carried forward \$131,000 of capital works funding to financial year 1996-97 to allow that project to be completed. I may report that the project is well advanced. The total cost of the

project is \$278,000 spread over the two financial years, last year and this, and it will be successfully completed by December 1996.

Mr BEATTIE: That is fine. Mr Premier, I wonder if you can assist me. Are there any plans to contract out any of the current functions carried out at Government House—for example, issues such as security and property maintenance? If security is planned to be contracted out, what safeguards are there in place to ensure the quality of the security to make sure the Governor is appropriately protected?

Mr BORBIDGE: Mr Chairman, arising out of the risk assessment that has just been referred to, the key aspects were both fire safety and physical security. In respect of physical security, this consists of a combination of passive physical barriers, technological surveillance and active patrolling security measures at Government House. Significant enhancement of technological surveillance, that is equipment upgrade and also extended coverage, lighting and access control measures in 1995-96 and enhancements were achieved through minor capital works. The provision of security services by the State Government Protective Security Service remains under review due to the high cost of that service but, as I understand it, no decision has been made.

Mr BEATTIE: Does that also apply to the contracting out of property maintenance? Is that also under review?

Mr BORBIDGE: I might defer that question to the Official Secretary.

Mr O'CONNOR: Property maintenance is currently conducted on behalf of the Office of the Governor by Q-Build, a business unit of the Department of Public Works and Housing. The arrangement there is that an on-site supervisor is maintained to do preventive maintenance and to supervise contracted maintenance work on behalf of the office. We assess that that is a very cost effective way of doing maintenance at the Office of the Governor and there are no plans to in fact evoke alternative arrangements at the moment.

Mr BEATTIE: Just by way of clarification, Mr Premier, what you are saying is that it is currently being assessed as to whether the security services should be contracted out?

Mr BORBIDGE: No, I am not saying that. I am saying that the provision of the security services remains under review and is a high cost item, but obviously no action will be taken—

Mr BEATTIE: What does that mean, with respect?

Mr O'CONNOR: If I might expand, Mr Beattie. At the moment, the Office of the Governor does contract out both its security and horticultural functions. Going back to the early 1990s, those services were provided under a gentleman's agreement by the Queensland Police Service and the Department of Administrative Services, as it was then, at no base cost to the Office of the Governor. Because of a push towards modernising the procedures and practices for financial accounting for the office and to provide greater transparency, in the

1992-93 period base funding was transferred from the providing departments to the office and the office was required to contract those services to an appropriate contractor. The winning contractor was the Department of Administrative Services for horticulture and the Department of Administrative Services through QPM and SGPSS for security. Those contracts remain in place and are renewed on an annual basis. Whether those contracts remain with QPM and the Department of Public Works and Housing remains a moot point on the basis of the cost of those contracts. We do review those costs and contracts on an annual basis and, if a cost effectiveness study indicates that they are too expensive, we will look at alternative approaches to business.

The CHAIRMAN: Could the Official Secretary outline the size of the fleet of official vehicles maintained for Government House and say whether there are any plans to replace the Rolls Royce which forms part of that fleet?

Mr O'CONNOR: Certainly. The Office of the Governor maintains an official vehicle fleet of three vehicles, run along essentially commercial lines similar to the rest of the public sector fleet. The principal vehicle used by the Governor is a Ford LTD. A second vehicle is maintained as a general purpose vehicle, currently a Falcon Fairmont, which is used to transport the Governor's spouse and for a whole range of courier type general purpose functions. The third vehicle that is maintained as part of the fleet is a 1972 Phantom VI Rolls Royce vehicle. That vehicle has been owned by the Office of the Governor since new. Its capital purchase costs are fully amortised and we use that for essentially ceremonial and special purposes associated with the Governor's official program. We keep tabs on its running costs, and the position that we hold is that when those running costs become excessive, the vehicle will be disposed of.

To give you an idea of the annual running costs—in the last financial year, the running costs of that vehicle were in the order of \$5,000 for the year. The plans to dispose of the vehicle; there are none.

Suffice to say that when it becomes too expensive to maintain that vehicle, because our budget is limited, that decision will make itself.

Mr GRICE: Premier, I refer to Program Statement 1-3 and the reference to the Governor's official travel and entertainment requirements. Could the Premier indicate approximately how many functions or commitments the Governor carried out in the year 1995-96 and what the hospitality budget was from the last financial year?

Mr BORBIDGE: The Governor remains extremely busy and involved. She undertook approximately 700 commitments in 1995-96. The expenditure budget remains relatively static, but there has been higher staff productivity. The enterprise bargaining agreement approved in May 1995 has increased staff efficiency and provided some predictable salary targets and outcomes. In respect of hospitality and official functions, the Governor maintains an official entertainment and hospitality program which aims to complement the objectives of other Queensland institutions by providing recognition of deserving citizens where possible. Prominent visitors to Queensland are accommodated and entertained; and a good example of that would have been when Her Excellency hosted a dinner last week on behalf of the Queensland bid for the 2006 Commonwealth Games. Trade and other foreign delegations are included and some charity work is included in the hospitality program. I am advised that the hospitality budget in 1995-96 was approximately \$60,000, which included \$22,000 from the Governor's entertainment allowance. Mr Chairman, I want to assure the Committee that this Government appreciates the role of Her Excellency the Governor and will not be entertaining suggestions that have emerged in other States about some sort of quaint notion of a part-time Governor.

The CHAIRMAN: The time allotted for the consideration of estimates of expenditure for the Office of Governor has now expired, and I thank the officers for their attendance.

**PARLIAMENTARY COMMISSIONER FOR
ADMINISTRATIVE INVESTIGATIONS**

IN ATTENDANCE

Hon. R. E. Borbidge, Premier

Mr F. Albietz, Commissioner

Mr B. Ganly, Acting Director, Corporate and Research

Mr M. Schafer, Director, Corporate and Research

The CHAIRMAN: The next item for consideration is the Parliamentary Commissioner for Administrative Investigations. The time allotted is 20 minutes. For the information of the new witnesses, the time limit for questions is one minute and for answers is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of those time limits. An extension of time may be given with the consent of the questioner and a double chime will also sound two minutes after the extension of time has been given. As set out in the sessional orders, equal time is to be given to the Government and non-Government members. For the benefit of Hansard, I ask departmental officers to identify themselves before they first answer a question.

I now declare the proposed expenditure for the Parliamentary Commissioner for Administrative Investigations to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

The first period of questions will commence with non-Government members.

Mr BEATTIE: Before we start, I thank the Ombudsman for being here. We understand there are some difficulties in the family, and all members of the Committee appreciate the fact that you have taken the time to be here today. I have one question that really sums up my concern. I notice in your answer to the question on notice regarding the case load that there has been a massive increase in the case load but, when we look at the budget, the allocations of funding and staffing have been reduced in the face of the backlog. I would have thought that you needed more money. I do not know whether I should direct this question to you or the Premier, but I am happy to start with you. Why do we have the increase in your workload and yet a reduction in the amount of resources you have? At the end of the day, that simply means you will not be able to do your job as effectively as you would want to, surely?

Mr ALBIETZ: Can I indicate that temporary investigative staffing was increased in this budget. I had two temporary investigative staff last year; I have three this year, so there is a slight increase. That will help to reduce the backlog, but not significantly; the backlog will still be there.

Mr BEATTIE: What sort of increase in staff would you need to reduce an increasing backlog?

Mr ALBIETZ: The cases that get in backlog are very complex and difficult cases. Approximately 80 per cent of the cases that come in during the year are dealt with within the first 12 months, but there are the more difficult and more complex cases that carry over, and some of those could be two years, three years old. An investigator can competently handle about 250 cases a year—that is an experienced investigator. So with a backlog of about 1,400 or 1,500, you are really looking at about six investigators. But there will always be a backlog. If the backlog is manageable—I would suggest that a backlog that is manageable is between 400 and 600 cases. So we are trying to get those cases down. I believe that I have been reasonably treated this year in the sense that I have additional investigative capacity. Hopefully we will prune that backlog down to something like about 1,200 or perhaps even less.

Mr BEATTIE: I direct a question to the Premier. This is very much a non-political area, as you know. I have a very genuine concern about it. Notwithstanding what the Ombudsman has said in a very courageous way about getting that backlog dealt with, this becomes an area where the community's complaints are simply not going to be dealt with in the way that some of them would want. That is no reflection on the Ombudsman or the staff, it is simply a staff issue. What can we do to address this backlog? It does seem that the allocation should have been higher in this area.

Mr BORBIDGE: A number of management demand strategies have been put in place to cope with the high volume of complaints received. The office has declined to investigate complaints more than 12 months old or where some other body is reviewing the matter or where the monetary value at issue is small. The office has required complainants who have taken up the case with the agency at a local level to take it up again at a higher level. It has embraced technology and multiskilling to the maximum extent possible consistent with efficiency. The office has provided guidelines to the Office of the Public Service for improving client service delivery within public sector agencies. It is also utilising an internal review dispute resolution mechanism for dealing with complaints. Detailed discussions have also been undertaken with the above office, and report cards have been issued to agencies with high-volume complaint numbers to identify to the agency the mistakes and errors which have occurred as well as the measures which need to be taken to prevent those mistakes from recurring. I think that it is the nature of the business that, unfortunately, this has been an ongoing problem. On the part of the Government, we will be continuing to liaise with the Ombudsman. Where we can provide further assistance to relieve the backlog and the workload, we will certainly be seeking to do so.

Mr BEATTIE: I am happy to leave this matter here, except if I could make this request to the Ombudsman. Would it be possible for you to provide us with some letter this week for the Committee's consideration about how you intend to handle that backlog with the staff that you currently have—perhaps in a little more detail than you gave me earlier?

Mr ALBIETZ: With the Premier's concurrence, we could do that.

Mr BORBIDGE: Yes, certainly, that is fine.

Mr HAMILL: I want to follow on from Mr Beattie's questions. In the Program Statement it was said that the number of new complaints last year declined from the level of the previous year. What is the situation that is manifesting itself for this financial year? Is the new case load again increasing? What do you think the trend is?

Mr ALBIETZ: I anticipate the case load this year to be around the same level as last year. Last year was the second-highest number of complaints ever received. So although it did drop, it dropped only marginally. I put that down in large part to those demand management initiatives that we introduced, particularly the report cards. I think they have borne some fruit in that departments are aware of the problems that are occurring and have sought to address that. If we can stop the complaints coming in, that helps. But we also have to address the backlog as well. So it is both ends, really.

Mr HAMILL: What about in relation to the Information Commissioner?

Mr BORBIDGE: May I comment? I think I have some information relating to the Information Commissioner that may be of assistance to you.

Mr HAMILL: If I could just ask a question of Mr Albietz—what is happening with applications before the Information Commissioner? Are they continuing to rise in number? What was the level of applications for last year, and what is the trend for this year?

Mr ALBIETZ: The applications fell off slightly last year. I think they were of the order of 200. We processed 200. So we have reached the equilibrium that we are matching what is coming in. The difficulty is that there is a backlog.

Mr HAMILL: So you are treading water with the Information Commissioner work? You are not making any impact on the backlog?

Mr ALBIETZ: No, I think the backlog actually blew out a little bit. But we are basically matching what is coming in. It is just that there has been a backlog there for a couple of years, and it is very hard to shift.

The CHAIRMAN: The Premier has indicated that he might like to make a comment.

Mr BORBIDGE: Yes. My information is that the office of the Parliamentary Commissioner received 3,405 written complaints and resolved 3,485 complaints in 1995-96, hence the backlog of complaints was reduced by 80, and the number of outstanding complaints at 30 June 1996 was reduced to 1,466. For the second consecutive year, the Information Commissioner's office increased the total number of cases resolved. The office resolved 202 cases—an increase of 23. Of the 179 cases resolved in 1994-95, 158 were resolved by informal methods of dispute resolution and 44 by formal decision. But as was indicated earlier, in the same period 207 new appeal files were opened. I also make the point that the rate of lodgment of appeals in Queensland has

been higher than in any other Australian FOI appeal jurisdiction, including the Commonwealth and Victorian AATs, the Western Australian Information Commissioner and the South Australian, Tasmanian and New South Wales Ombudsman.

Mr HAMILL: On that point about the backlog—I note that you had two additional temporary staff last year. You have already mentioned that you have three additional temporary staff this year. For how much longer do you anticipate the need for additional staff to be able to clear business which is currently before both the Information Commissioner and the Ombudsman?

Mr ALBIETZ: There would certainly have to be a pretty substantial increase in temporary investigative assistance at both offices. A competent administrative review officer in the Information Commissioner's office could handle 25 cases a year, but you have a very significant backlog there. As I said, a competent investigator in the Ombudsman's office could handle about 250 cases a year. If you work through the mathematical equation you will see that additional resources are certainly needed to shift the backlog.

Mr HAMILL: It is not really temporary?

Mr ALBIETZ: You do not acquire the staff you are really looking for when you are getting temporary assistance. You have to put the incoming complaints with the temporary staff and use your experienced staff to try to handle the cases in backlog. Cases in backlog are the difficult and complex cases, and that is why they are in backlog, obviously.

The CHAIRMAN: Part of the mission statement of the Ombudsman outlined in the Departmental Overview on page 3-1 requires an expert dispute resolution service that is speedier and cheaper for the participants and more informal and more user friendly than the court system. Can the Premier outline the performance of the Ombudsman in terms of complaint resolution and investigation, both in terms of the 1995-96 year performance and targets for the 1996-97 year?

Mr BORBIDGE: Certainly. As I indicated earlier, the office had received 3,405 written complaints and resolved 3,485. The backlog of complaints subsequently reduced by 80. The performance targets for 1995-96 for the office relating to the number of complaints processed, sustained cases rectified and public inquiry sessions in regional centres, although challenging, were largely achieved. I have already dealt with the challenges in respect of the Information Commissioner's office and the fact that Queensland is now the busiest jurisdiction in Australia in regard to FOI appeal jurisdiction. In respect of targets for 1996-97—the office of the Parliamentary Commissioner estimates that 3,400 complaints will be resolved. The office of the Information Commissioner estimates that 220 cases will be resolved. A skills audit has been undertaken and has identified training needs which are in the process of being addressed. This will ensure that any skills that may be presently underutilised are developed to provide the maximum benefit to the Ombudsman's office.

Mr GRICE: I draw the Premier's attention to the Complaint Investigation and Resolution Program on page 3-7 of the Ministerial Program Statements. I ask: why has there been a decrease in funding from the Budget of \$3.058m in 1995-96 to \$3.010m in 1996-97?

Mr BORBIDGE: The 1996-97 budget does represent a marginal decrease on the prior year. That is primarily due to a reduction in the budget for capital expenditure for 1995-96, which was for a one-off purchase of a replacement for the office computer system including software and hardware. The 1996-97 capital budget represents the remaining expenditure for that purchase. Also, that was partially offset by an increase in salaries, wages and related costs principally due to the extra funding for an additional temporary officer for the Freedom of Information Commissioner and the continuation of funding for two temporary administrative review officers for the Parliamentary Commissioner. The additional funding for 1996-97 for those officers amounted to \$110,000 with a further amount of approximately \$80,000 being provided for wage increases for Stage 3 of the enterprise bargaining agreement. The staff in the Parliamentary Commissioner's office will be reduced by one to mitigate the budgetary impact of the cost of the additional temporary officers.

Mr SPRINGBORG: An important role of the Ombudsman is to provide all Queenslanders with a wide range of awareness of the office's activities as well as facilitating contact with it. Could the Premier outline the service provided to rural or non-metropolitan areas and also where the highest number of complaints were received?

Mr BORBIDGE: Interviews with the public were conducted in 75 regional centres, including three ATSI councils during 1994-96. Also 11 correctional centres were visited. The highest number of complaints received from country areas visited in 1995-96: Bundaberg, three visits, 97 complaints received; Gold Coast, three visits, 83 complaints; Mackay, three visits, 80 complaints; Rockhampton, three visits, 80 complaints; Nambour, three visits, 71 complaints.

In 1995-96, 49 per cent of all new complaints received in the office, that is, 1,697 were generated as a result of the Rural Visitation Program. That program gives rural people and those in custody similar opportunity to access the office as persons resident in Brisbane. While the main focus of the program is to interview members of the public, it also provides valuable opportunity for investigative staff to inspect locations in respect of which grievances have been lodged, hold conferences with agency representatives such as regional directors and mayors, examine agency files and conduct interviews with various media.

The CHAIRMAN: I refer again to the staff establishment of the Ombudsman's office and the Information Commissioner's office, noting that the total of 37 is relatively static. Could the Ombudsman indicate what staff movements have occurred, because it is quite clear that, in recent years, the workload has increased?

Mr ALBIETZ: I certainly do not have the figures over a number of years, but there has been little staff movement. In the previous year, there were two temporary investigators provided. The previous year there was none at all. The year before that there may have been two investigators appointed, and I think that they were permanent staff. The difficulty has been that, when I took over the role, there was a backlog of 1,200 cases in the Ombudsman's area. Since then, in those five years, there has been an increase of about 60 per cent in complaint numbers, and that's written complaint numbers, so we have had a very difficult job trying to contain the increase in demand and at the same time trying to do something with the backlog. It has been a very difficult process. This year I have been awarded three temporary investigative staff, and that will certainly assist.

Mr GRICE: In regard to the proposal being examined whereby client agency staff could be seconded for a period of training in complaint dispute resolution, could the Ombudsman indicate the status of that and whether such initiatives are planned for this financial year?

Mr ALBIETZ: It is certainly very early days for that proposal and it hasn't really gone anywhere at this stage. We certainly hope to advance it during the year and see if we can come up with something perhaps towards the end of the year, but it is very early days, I'm afraid.

Mr SPRINGBORG: I refer the Ombudsman to the fact that last year the former Government indicated that some \$335,000 was to be spent on new information technology. The table on 3-3 indicates that \$295,000 was expended with a further \$91,000 to be spent in this financial year. In view of the fact that this appears to indicate an increase in such expenditure of \$50,000, was the original estimate conservative and what is the nature of the \$91,000 to be expended this financial year?

Mr ALBIETZ: If you don't mind, I will refer that to the Director of Corporate Services to respond to.

Mr SCHAFER: If I can refer to table 3.3, the estimate for 1996-97 refers to \$91,000 being carried over. Of that, \$61,000 relates to the \$335,000, and \$30,000 of that related to other capital work for office equipment. So the \$335,000 was, in fact, a correct estimate. We are still going ahead on the basis that we will spend \$335,000.

The CHAIRMAN: I refer the Ombudsman to page 36 of the Ministerial Program Statements relating to the Complaint Investigation and Resolution. I ask: what is the average time for resolution of a case? We are interested in that time, given the statement in regard to the rate of complaints being received.

Mr ALBIETZ: Complaints coming to the Ombudsman vary greatly, from what I might term "minor complaints" to very detailed and complex complaints. A turnaround time is very difficult when you are in backlog. I guess that the only estimate I can give is that, in 12 months, 80 per cent of the complaints that do come in are dealt with in that 12 months. I cannot say that a case takes three months

or four months, but certainly if it is a minor matter we try to deal with that very quickly. If it is a difficult, ongoing case, that is when it goes into backlog and we get into problems with it. I can't be any more specific than that, I'm sorry.

The CHAIRMAN: That is fine. The time allotted for consideration of the Estimates of expenditure for the Office of the Ombudsman has now expired. I thank all the officers involved. To reiterate Mr Beattie's comments, Mr Albietz, thank you very much for coming today.

QUEENSLAND AUDIT OFFICE**IN ATTENDANCE**

Hon. R. E. Borbidge, Premier
 Mr B. Rollason, Auditor-General
 Ms J. England, Assistant Auditor-General
 Mr K. Alcock, Manager, Finance and
 Administration

The CHAIRMAN: The next item for consideration is the Auditor-General. The time allotted is 30 minutes. For the information of the new witnesses, the time limit for questions is one minute and for answers it is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of the time limit. An extension of time may be given with the consent of the questioner and a double chime will also sound two minutes after an extension of time has been given. As set out in the sessional orders, equal time is to be given to Government and non-Government members. For the benefit of Hansard, I ask the departmental officers to identify themselves before they first answer a question.

I now declare the proposed expenditure for the Auditor-General open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

The first period of questions will commence with non-Government members.

Mr BEATTIE: Thank you. I refer the Auditor-General to the Ministerial Program Statements at 2.2 under Key Inputs, and in particular, Capital. I ask: why was the capital budget underspent by \$112,000 last year?

Mr ROLLASON: The reason why the capital budget was underspent was that we were initially proposing to introduce a new financial management information system into the Audit Office. All agencies have got to do that in readiness for accrual accounting.

We had travelled along a path with our IT strategic plan to go it alone and, because of events with the introduction of the SAP universal system, it seemed rather unwise for us to be a loner so we pulled the plug on going further with our own system. There is a carryover of \$97,000 approved for 1996-97 of that unspent money. We are now preparing a business case to join hopefully with some other central agencies of some sort or other—anyway, a consortium—to not incur the extent of the capital expenditure that was once envisaged.

Mr BEATTIE: Further down under those Key Inputs, I notice that there is an amount of \$424,000, which is associated with Intra Public Accounts Transfers. I just wonder if you can give me some indication what that represents. It is 2.2 in the Premier's Ministerial Program Statements.

Mr ROLLASON: The amount related to earlier loans that we had taken out with the Treasury to fund our computer audit machines; in other words, for the

auditors. We made representations to the Treasury the previous year and the then Cabinet Budget Committee agreed and the then Treasurer agreed, in view of the fact that the Audit Office was catching up in a sort of a situation where it had been a little bit neglected with its capital replacements, that it was unfair for the Audit Office to bear the refunding of those loans. So they wrote them off. So that is really what happened.

Mr BEATTIE: So that is why it is a zero in the estimate for 1996-97? They have been written off.

Mr ROLLASON: In that heading of Intra Public Accounts Transfers; it is not zero in respect of the replacement program that we have still got under way, which is in another part of the budget.

Mr BEATTIE: One of the things that you have expressed some concern about over the years is a concern that I share, and that is the public accountability of a number of communities in far-north Queensland in terms of public money attributed to them. In fact, I wrote to you recently about a particular matter involving a visit there, which I will come to in a minute. In terms of accountability for public funds, are we making satisfactory progress in terms of those Aboriginal communities in the cape? Are you satisfied with the progress or do we still have a long way to go? I think it was two years ago, or three years ago, that you first mentioned this in your report. I just wonder what progress we have made over that time.

Mr ROLLASON: The progress is slow but it is not, I do not think, a backwards situation. As I said to you the other day, we all go back to 1985 when all of this started out. I think over that time, while the Auditors-General over time have had to report some pretty serious sort of poor accountability on the part of those councils—and I think I said this in my last report to the Parliament on the audits for 1994-95—we did see a glimmer of improvement and in some there is quite dramatic improvement. But with all of them—with the Government's support, the previous Government's support, which it put in a lot of effort into internal audit, the current Government's initiatives which involve some appointments just fairly recently—I think all of these things are assisting. There are major cultural difficulties and there are difficulties in attracting and the retention of the quality of people to manage the affairs. So very guarded am I answering, as an auditor, that we will see dramatic improvement. As soon as I say that—and you have got to think of that as an auditor—everyone's expectations are raised. Then I bring a report into Parliament and I am sort of saying things contrary to that. So I just have guarded reservations there.

It is not that nothing has been done by both the current Government and the former Government. I do not think it is a solvable, short-term thing. You have got to look at it long term. We have lived with it, as I say, since 1985 and, currently, I think there is progress.

Mr BEATTIE: Some progress. To be fair to you, I must say that—and I know you share this view—the independence of your office is very, very important. I was concerned to hear statements made

in the House the other day by the member for Mansfield, which I wrote to you about, in which he explained that you were on a trip with him and that you had been critical of previous Governments and so on. You have written back to me in relation to that. I would like to give you this opportunity just to clarify the circumstances of your visit there with the Minister and the backbencher. I do this to protect the independence of your office because, clearly, it has to be above all political machinations regardless of the shade of politics.

Mr ROLLASON: First off, thank you for giving me the opportunity. I was a bit taken aback by your letter, I might add. However, I can understand—

Mr BEATTIE: Let me assure you, not as taken aback as I was by the member for Mansfield's comments.

The CHAIRMAN: Just before the Auditor-General goes on, could I remind all department officials that they should not get into areas of policy but rather the issues of fact. If we have a policy question, we should refer to the Minister.

Mr BEATTIE: Mr Chairman, let me be very clear: this is not a matter of policy; this is a matter of public expenditure and the standing of the Office of the Auditor.

Mr ROLLASON: First off, let me say that, rightly so, Mr Beattie, I have a passion for the preservation of the independence of the Auditor-General, as does the Honourable the Premier in conversations that I have had with him, and the former Premier. So it did shock me when this comment was made that in some way or other I had criticised the former Government.

The circumstances of the journey were not unusual, or curious, in that I was invited by the Island Coordinating Council to attend its forty-seventh meeting. It is not the first time I had been there. I went there previously with Mr Hollis and Mr D'Arcy to a very similar sort of thing. The Minister was there. I went on the Government jet with the Minister—the current Minister—the member for Mansfield and one other person from the Minister's staff. We called in at Aurukun, because the Minister wished to go there, and then we flew to Thursday Island.

My comments were made following the Minister's initiative. He, I might add, passionately—as I think we all have—wished to do something about this problem. Every Government has tried to do something and it does not seem to be resolvable in the short term. He stated to the Island Coordinating Council members that he would create a number of new positions for community service officers. When I spoke, I naturally supported the Minister's initiative. I would support any Minister's initiative to try to do something about it. Therefore, that is the context of what was said. I don't know why the member for Mansfield read into that that by supporting the current Minister I was in some way pouring buckets on the previous Minister—that's just silly. It is not the truth of it at all. That is the substance of how I was there. I have been there before, and to the Aboriginal Coordinating Council, and explained their responsibilities under law to them.

Mr BEATTIE: I should mention that obviously the trip that you took with Mr Hollis and Mr D'Arcy would have been in relation to public accounts matters?

Mr ROLLASON: It was on that occasion.

Mr BEATTIE: Have you travelled before with Ministers and backbenchers in that way?

Mr ROLLASON: Not at all, no.

Mr HAMILL: Mr Rollason, I have a couple of questions which flow on from information which was obtained by the Committee in the questions which were placed on notice. I note that it is stated that about 89 per cent of the costs of the Audit Office are now recouped by way of fees charged to the various bodies being audited. Is it anticipated that the full cost of the Audit Office will be recouped in this fashion in the future?

Mr ROLLASON: All of my submissions to the Government, the former and the current Governments, through the budgetary process, have always been driven by the view that it is wrong to turn the Audit Office virtually into a full business operation. The work we do—such as the costs of preparing for this meeting and the costs of reporting to the Parliament—are matters which the Parliament calls for, not the auditees. In some other jurisdictions no audit fees are charged, but the appropriation which the Parliament votes for the Auditor-General becomes, in effect, the audit fee.

Mr HAMILL: It is like a shadow toll in a way?

Mr ROLLASON: Yes. It is the fee that the Parliament is prepared to pay for the audit function. So far, I have been able to convince the Cabinet Budget Committee and the Treasury that this remaining 10 per cent, if you like to call it that, is virtually like a community service obligation issue, which is the service that the Auditor-General is performing for the Parliament directly. The truth of the matter is that—taking Suncorp, QIDC or any of the major commercial operations as examples—they are not very fussed about an on-cost onto their hourly rates of audit charges for the Parliament's benefit. They are commercial enterprises. Therefore, we have tried to wall off the parliamentary side of the office from the financial and the testational side.

Mr HAMILL: Are the fees that you are charging in line with commercial fees, though?

Mr ROLLASON: No. They are in line with fees which we derive from the operating costs of the QAO less this amount which, in my calculations, is roughly \$2m, which is roughly 89 per cent.

Mr HAMILL: I ask that because the answer that was provided said that the fees charged for the Queensland Audit Office compared favourably with those charged by large accounting firms. I thought that there must have been some sort of nexus there.

Mr ROLLASON: More than favourably.

Mr HAMILL: Mate's rates from the Audit Office?

Mr ROLLASON: Even though we may have parliamentary and other services to perform, we are less because there is no profit.

Mr HAMILL: You are not paying tax equivalents to the Treasury?

Mr ROLLASON: I pay a lot of tax!

Mr HAMILL: No, the Audit Office.

Mr ROLLASON: No. I think that would be quite improper, although I may be speaking out of order. It has never been raised in any discussions with either the former Government or the current Government or Treasury officials, former or current, that the Audit Office should be paying a dividend or something like that. I think they respect the fact that the Audit Office has this watchdog role. I have given the illustration to the Cabinet Budget Committee this year that if I have to be constantly concerned about where the fee revenue is to come from, and if we have a fraud to investigate and I have to then go to the auditee and say, "Listen, I am coming to investigate this fraud", what answer do you think they are going to give me? They'll say, "Get lost. We are not going to pay for you to do that." The Auditor-General has a role which must allow him to move through the system unfettered. I am not saying that he is not conscious of the cost of the operation of the Audit Office, but cost recovery should not be an issue that prevents his moving.

Mr HAMILL: Premier, in the Queensland Commission of Audit report—a different animal altogether to the Audit Office—there is a discussion about charging out for various services and so on. I was wondering whether, as a matter of policy, the Government was considering the implementation of those principles in relation to the Queensland Audit Office, that is, the notion of competitive neutrality, for example, and whether there would be some proposal of outsourcing some of those services?

Mr BORBIDGE: In terms of comments made by the Auditor-General, I am with him.

Mr HAMILL: So the Government's policy is to support the current status—

Mr BORBIDGE: There has been no proposal considered by the Government to the contrary.

Mr HAMILL: And there is none in the pipeline?

Mr BORBIDGE: No, certainly not that has come to me or, as far as I am aware, to other Ministers.

The CHAIRMAN: Mr Premier, I refer to the role of the Auditor-General as outlined on page 2-3 of the Program Statements. Could you outline an overview of the key outputs of the public sector auditing role, including the expansion that has occurred in this area of responsibility?

Mr BORBIDGE: The key output from the auditing program is the achievement of the Auditor-General's audit mandate in terms of the Financial Administration and Audit Act 1977, in a cost-effective manner and to the highest standard. That mandate encompasses the audit of the public accounts of departments, statutory bodies, local governments, Aboriginal councils, Island councils and controlled entities of such bodies.

Since 1993, the Auditor-General's mandate has included the authority to conduct audits of performance management systems. The Auditor-

General is responsible for auditing the accounts for approximately 650 entities. These audits are performed using an appropriate mix of QAO staff and contract auditors. Historically, and complementary to the external role of the Auditor-General, is the provision of advice and assistance to public sector entities and central agencies concerning the development and maintenance of sound financial administration and reporting systems.

The auditing program operates in a changing environment. The volume of work has continued to grow considerably and has become more complex. Issues have included corporatisation of public sector entities, the use of new and complex financing arrangements, increased use of new information technology by auditees, the move to full accrual accounting by local governments and departments and the accounting and evaluation for non-recurrent physical assets.

The QAO's audit methodology, QFAA, while retaining longstanding emphasis on probity and proprietary issues, places greater prominence on risk and materiality through the use of computer-based audit tools and documentation packages. QFAA conforms with the Australian auditing standards and practices. The formal quality management system encompassed within QFAA provides measures for quality assurance and a quality assurance process based upon this system is in place within the Queensland Audit Office. Additional measures for quality assurance, such as contract auditor reviews and individual task assessment reports, are also in place.

Mr GRICE: Mr Rollason, the table on 2-11 indicates a substantial increase in plant and equipment expenditure in 1996-97 to \$209,000, to upgrade the Audit Office's local area network to facilitate electronic communication with field audit staff. Can you outline what is envisaged here, what sort of equipment is involved and how it will impact on the actual audit process?

Mr ROLLASON: Mr Chairman, I will ask the Assistant Auditor-General to answer that.

Ms ENGLAND: The upgrade of the local area network involves the implementation of a new file server which contains within it modem banks which allow the use of auditors with laptops to electronically communicate with head office and have access to information on the network. That includes research material that they would use in the course of their audit work, such as the Australian Accounting Standards and other legislation.

Mr SPRINGBORG: I direct another question to the Auditor-General. Specific projects mentioned on page 2-9 of the Ministerial Program Statements for the Audit Office include further progress towards implementation of new financial and human resource management information systems. I ask the Auditor-General: what is the current status of this development and what further improvements are envisaged?

Ms ENGLAND: As the Auditor-General indicated before in a previous answer, we were considering at a much earlier stage the

implementation of a new financial accounting system. Over time, as the Government has progressed towards a whole-of-Government response, we have taken that on board. We are looking at ways and means of implementing the SAP R3 product at the moment in conjunction with other agencies.

In terms of the human resource management information system, as indicated by other central agency projects, we are part of that change to looking at implementing a new human resource management system, again in conjunction with other Government agencies. At this very early stage, we are evaluating the appropriateness of the three approved vendors. We are still at a very early stage in terms of implementation of the HR system.

The CHAIRMAN: Thank you. Given the Audit Office has a fine track record and reputation in regard to graduates and training—some fine people have come from the office—could the Auditor-General outline the status of the review into graduate retention and what improvements are envisaged in terms of implementing the revised graduate recruitment and development program?

Mr ROLLASON: The review of graduate retention was something that we put in place through the Assistant Auditor-General. It was part of a PSMC sponsored program which she engaged in. The Audit Office suffers largely from salary problems in comparison with the private sector. It also suffers from the fact that it largely can only perform audits, although we certainly do consulting work in relation thereto. So the attractiveness of the Audit Office and the retention of persons to it is a very key factor. I am not one to suggest that suddenly there has been a great exodus from the place—far from it—but you roughly run at around 10 per cent a year.

As to what we have been doing—we have been through a fairly exhaustive in-house process to start with, under the auspices of the Assistant Auditor-General, talking to all of the graduates from 1994 and 1995 and, of course, the ones from 1996. We are getting them to tell us what it is that we're not doing right. When we go to the campuses on our campaign to recruit, we naturally might oversell it a little. So we are trying to get back to find out whether the graduates we have recruited believe we've delivered the goods. As to training, professional development, the mentoring and counselling within the Audit Office—we have quite a few plans to do something about that.

We are at the mercy of the other Government departments. As to Audit Office staff—18 months out from graduation is a dangerous time frame, if they come in from graduation. Three years is deadly, because they are very, very marketable. They are then very marketable externally. Salary happens to be an issue. But we acknowledge we are part of the system and the normal award structure. It is a project in which we have got input from all the other Audit Offices around Australia and from some major accounting firms, all of whom, I might add, suffer in their varying ways the same sorts of things. But it is true: the Audit Office is, as I describe it, a nursery, certainly for the public sector. We are proud to do

that, but when we get down to budget it places great strains on us because professional development becomes a key issue.

The CHAIRMAN: I take it the experience of other State Audit Offices is fairly similar to Queensland's?

Mr ROLLASON: It is fairly similar. It is a universal problem. The key thing is that you can't stop them leaving because they want to get a different sort of experience level under their belt. That is life today, and everyone is encouraged to do more of that. We go through very extensive exit interviews with them when they are leaving to find out that they are not leaving for anything we have done internally that has upset them or not delivered the goods. We do that very, very seriously. I see personally and go through an exit interview with, as do the HR people, every person who leaves. We document, with their knowledge, their reasons.

Mr GRICE: Mr Rollason, you touched earlier on the difficulties with reports that you have had on Aboriginal and Torres Strait Islander communities. As I understand it, you conduct audits in those communities both by using members of your own department and by subcontractors. Could you make a comment on how the efficiencies and costs of the two different methods compare?

Mr ROLLASON: First, I will make a comparison of the quality of the work and the overheads we have to inject into the quality controlling and managing of the work in an environment which is not, I suppose, straightforward. The thing that I would personally often prefer is that we were able to have the resources to do the work ourselves. This is no denigration of the private sector auditing world, but the Audit Office is very well attuned to the financial, compliance and regulatory issues which the Parliament wishes the Auditor-General to pursue, rather than just certification of balance sheets or whatever formal stamps they are. Getting the private auditor to see things the way we see them does present a problem for us. To do that, we have to inject into the whole process large questionnaires and very stringent reporting requirements to us. So in a way I don't think it is, to put it bluntly, as efficient. But we see it, though, as a very valuable means of assisting—as we said earlier—discharging the total audit mandate, but it has its problems.

From time to time, from the Aboriginal councils and island councils we come in for some comment that things haven't gone the way they thought they would go. Some of it is misunderstanding on their part and some of it is the conveyance of information between us through the contractor to them and back and forth.

In answer to it—in my view, whether it is Aboriginal councils or Islander councils, contracting work anywhere has its problems. I counsel that in any forums where Government agencies are going to be asked to contract out any form of work. You have a very high requirement to quality control the work. There is no better way of doing work—certainly auditing work—than doing it yourself, in my view.

The CHAIRMAN: Thank you. The time allotted for consideration of the Estimates of expenditure for the Auditor-General has now expired. I thank the Auditor-General and his associated staff for appearing here today. The hearing is now suspended for morning tea and will resume at 11.25.

Sitting suspended from 11.10 to 11.25 a.m.

DEPARTMENT OF THE PREMIER AND CABINET**IN ATTENDANCE**

Hon. R. E. Borbidge, Premier
 Mr P. Ellis, Director-General
 Mr J. Sosso, Acting Deputy Director-General
 Mr E. Bigby, Acting Executive Director,
 Government and Executive Services
 Ms S. Webbe, Acting Director, State Affairs
 Mr T. Leighton, Director, Financial Services
 Mr I. Clague, Acting Executive Director, State
 Development
 Mr K. Wolff, Director-General, Office of the
 Public Service

The CHAIRMAN: The hearings of Estimates Committee A are now resumed. The next item for consideration is the Department of the Premier and Cabinet and the time allotted is two hours. For the information of new witnesses, the time limit for questions is one minute and for answers is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of the time limit. An extension of time may be given with the consent of the questioner for two minutes and a double chime will also sound two minutes after that extension has been given. As set out in the sessional orders, equal time is to be given to the Government and non-Government members. For the benefit of Hansard, I ask departmental officers to identify themselves before they first answer a question. I ask the people who do have to share a microphone to keep that microphone reasonably close to them when they have to swap over. I now declare the proposed expenditure for the Department of the Premier and Cabinet to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Mr Premier, is it your wish to make a short introductory statement in relation to the elements within your portfolio or do you wish to proceed directly to the questioning?

Mr BORBIDGE: I would appreciate the opportunity to make a short statement. It gives me great pleasure to appear before this Estimates Committee which will inquire into the activities of the Department of the Premier and Cabinet. This year's Estimates process will, for the first time, be a genuine and worthwhile exercise. Members will be aware that this is the third year that this Estimates process has been in place. However, earlier this year the new Government conducted a thorough all-party review of the first two years of the Estimates process with a view to making this year's deliberations more relevant. That all-party committee presented its report to the Parliament and I am pleased to say that the Government adopted its recommendations in full. This puts in place another of the significant parliamentary reforms instigated by the new Government.

For the first time, parliamentary committees will be able to inquire into the activities of Government owned enterprises. Questioning restrictions have also been relaxed, so hopefully the Committee will be able to operate in a more efficient manner. This Committee has already had the benefit of the answers to 20 questions placed on notice. In line with this Government's commitment to family friendly sitting hours, this Committee and other Committees will not sit late into the night. All in all, this Government is putting its Budget to the closest possible parliamentary scrutiny. We are pleased to do so. In terms of my various portfolio representatives, I want to thank those departmental officers who are present today who have carried out a substantial amount of preparatory work. This is a new and perhaps harrowing experience for many of them. The Premier's Department of today is a different creature to the Premier's Department of February this year. The new Government took a decision to create a new Department of Economic Development and Trade to lead Queensland's strong push in these areas.

The former Department of Premier, Economic and Trade Development was renamed the Department of the Premier and Cabinet and it took on additional responsibilities. The Bureau of Ethnic Affairs was added; so, too, was Indigenous Affairs in an effort to give these two vitally important sections of our community a strong voice in Cabinet and across Government. The Government Air Wing was transferred from the Bureau of Emergency Services to reflect its whole-of-Government responsibilities. Other areas have been abolished. The Cabinet Office has gone, as has the old PSMC, replaced by a far leaner Office of the Public Service. I wish the Committee well in its deliberations.

The CHAIRMAN: The first period of questions will commence with non-Government members.

Mr BEATTIE: I assure the Premier that we are user friendly as well. I note that the budget for the Department of the Premier has increased by 25 per cent. I will come back to particular details about that in a minute. Can you explain why your department is taking a much more prominent position within the overall State Budget and why it needs to increase its expenditure by 25 per cent, which is a very significant increase?

Mr BORBIDGE: As I indicated in my opening remarks, the Department of the Premier and Cabinet and the Department of Economic Development and Trade were created as separate departments following the February change of Government, and the financial resources of the former department were split between the two. The published budget for 1996-97 for the Department of the Premier and Cabinet represents an increase of \$11.921m on the 1995-96 published budget for the relevant program areas of the former department. The increase in overall budget primarily reflects machinery of Government changes and new initiative funding for additional functions to be undertaken by the Department of the Premier and Cabinet, and I give as particular machinery of Government changes the Government Air Wing, the Bureau of Ethnic Affairs,

which were added, and the Women's Policy Unit was subcontracted. It went over, of course, to the Deputy Premier and Treasurer.

We need to take into account new functions—recoverable funding to South Bank, regional offices, corporate communications and information, the Coordinator General's advance, aircraft replacement and repairs, Office of Indigenous Affairs and Independent member's resources. Total adjustments to the 1995-96 published budget equal \$16,000,622. The published budget for 1995-96 should therefore be adjusted for both the machinery of Government changes and for the new functions listed above. Accounting for these changes, the 1996-97 budget for the Department of the Premier and Cabinet has decreased by \$4.701m or 8 per cent from the published budget for 1995-96. This decrease primarily relates to reduced contingency provisions and a \$4.441m in targeted savings principally comprised of a reduction in the South Bank operating grant, a reduced Corporate Services budget, the abolition of the Office of the Cabinet, and the downsizing of the PSMC to form the new Office of the Public Service.

Mr BEATTIE: How much of that 25 per cent then is attributed to the new functions of the Premier's offices around the State?

Mr BORBIDGE: \$2.269m.

Mr BEATTIE: Which, in percentage terms, is what?

Mr BORBIDGE: I can give you the actual breakdowns for all the new functions, if it would assist. In terms of the recast Budget included in the Budget papers, it represents an increase of \$10.213m, principally on account of the following: additional funding of \$6.550m to the South Bank Corporation for Stage 1 of the preferred urban design concept. These funds are to be repaid by the corporation from the proceeds of land sales. And the new regional offices in Townsville, Cairns, Mackay and Rockhampton come in at a cost of \$2.268m.

Mr BEATTIE: I wonder if we could get the percentage terms on that a little later in the day.

I have gone through and had a look at the Budget expenditure for your department and the other departments. I cannot find anywhere in there where an amount has been budgeted for matters such as royal commissions into the CJC, which you announced yesterday. If it is not from your portfolio where that expenditure is drawn, can you give me some guidance as to where it will be drawn and whether it will be pulled out of hospitals, schools or other expenditure?

Mr BORBIDGE: It will not be pulled out of hospitals, schools or other expenditure. As the Leader of the Opposition would be aware, allocations for unforeseen expenditure are allowed in Budgets from year to year. Appropriate funds, if required, will be provided without taking money off schoolteachers or hospitals.

Mr BEATTIE: So is that the \$265m fund the Treasurer set aside?

Mr BORBIDGE: What I am saying is that, through funds put aside for unforeseen expenditure each year, every Government, including the previous Government, has put funds aside for special contingencies that may arise. They can be a whole range of issues. They could cover, for example, wage increases or enterprise bargaining in the Public Service. It could cover a whole range of particular initiatives.

Mr BEATTIE: I am trying to identify where.

Mr BORBIDGE: In the 1996-97 Budget, we have a special provisions subprogram. This subprogram reflects specially funded whole-of-department provisions as well as contingency provisions, and the Estimate for this year is \$2,180,000.

Mr BEATTIE: Have you budgeted for the cost of that inquiry? Do you know how much it will cost?

Mr BORBIDGE: No. What happens is that there is a special contingency fund that takes into account any particular costs that may occur. The department maintains contingency funds for specific items where the exact cost has not been quantified. These contingencies provide for cash equivalent of long service leave, minor capital works, legal costs, other specific matters as they arise, financial systems development, accrual accounting implementation, enterprise bargaining, salary increases and unforeseen program expenditure. By making these provisions, the department is able to maintain the flexibility to fund high-priority areas or needs as they arise and to control expenditure on items that cannot be fully costed at Budget time. This is in keeping with what has been contemporary practice.

Mr BEATTIE: So in relation to the initial part of my question—is it being taken out of your budget or someone else's budget?

Mr BORBIDGE: What could happen in these circumstances is that the Attorney-General could request supplementary funding.

Mr BEATTIE: From Treasury, presumably?

Mr BORBIDGE: From the Cabinet Budget Review Committee.

Mr BEATTIE: Perhaps Mr Ellis can assist me with this. I refer to the question that I put on notice in relation to consultants. I refer you in particular to the detail which you have provided. Thank you for that. This is the answer you provided to us in relation to Government employed consultants. I refer you to the attached schedule. You will notice that, towards the bottom, there is a Government consultant outlined there, Richard Laidlaw, specialist consultant. Can you give some indication of how long he has been employed as a consultant, and when did you employ him?

Mr ELLIS: I have an apology to make there. I made sure that that particular consultancy was listed because I expected that, by today, that might have been the case. I have to advise that that person has not been employed. I expect to employ him, hopefully, later this week.

Mr BEATTIE: So as of today he has not received any funds from the State Government for any services rendered?

Mr ELLIS: No, none whatsoever.

Mr BEATTIE: Are there any other people included on that list who are also incorrect?

Mr ELLIS: That is the only one that I am aware of. It is not actually incorrect. At the time that I prepared it, I thought that he may have started yesterday, and I wanted to be on the safe side. So I hope you will bear with me.

Mr HAMILL: Has there been a contract entered into with Mr Laidlaw for consultant services?

Mr ELLIS: A contract has been drawn up. He has signed it, but I have not.

Mr HAMILL: When did he sign that contract?

Mr ELLIS: I expect that was about the middle of last week.

Mr BEATTIE: When did you begin negotiations with him for that contract? How long have you been negotiating with him?

Mr ELLIS: My staff have been negotiating, I think, for about three weeks, but it could be a little longer.

Mr BEATTIE: I am happy to put this on notice, but could you provide to the Committee when those negotiations first started and when he in fact signed that contract?

Mr HAMILL: And also the term of that consultancy.

Mr ELLIS: Six weeks is the proposal.

Mr HAMILL: So it is a six-week consultancy?

Mr ELLIS: Yes.

Mr BEATTIE: From this week?

Mr ELLIS: From the day it starts.

Mr BEATTIE: Presumably, from what you said before, that will be today?

Mr ELLIS: It depends on how busy I am today. I think perhaps that it might be later this week.

Mr BEATTIE: To avoid us pursuing this further now, could you perhaps today give us a short note that sets out the answers to three questions: when the negotiations started, when the contract was signed by Mr Laidlaw, and when he will in fact begin that six weeks' consultancy with the Government? While we are talking about consultancies—I am happy to wait until you are finished—

Mr HAMILL: Perhaps Mr Ellis could add the purpose of the consultancy as well.

Mr ELLIS: I can assist you with that now, if you—

Mr HAMILL: Just put it on the written answer. That will be fine.

Mr BEATTIE: In terms of those consultancies, are they put out to open tender? I am not talking necessarily about Mr Laidlaw, but I include Mr Laidlaw. Are they put to open tender? Can anyone apply? Do you advertise? How do you select them? Who selects them?

Mr ELLIS: The consultancies are of various types; they can be contractors or consultancies. Consultancies that the Department of the Premier and Cabinet would employ are handled strictly in accordance with the regulations and rules that apply at the present time. Provision exists for short-term consultancies that do not exceed, I believe, \$10,000 to be handled in emergent circumstances. Some are like that. Some would go to tender if they were required to under the provisions under which we act.

Mr HAMILL: Mr Laidlaw's consultancy would fall in very neatly under that \$10,000 figure, wouldn't it?

Mr ELLIS: It is under \$10,000, I think.

Mr HAMILL: Six times \$1,635 is pretty neat.

Mr BEATTIE: According to this, he is paid \$1,635 a week, so his consultancy would not have to be advertised?

Mr ELLIS: No.

Mr BEATTIE: That is what you are saying?

Mr ELLIS: No.

Mr BEATTIE: In those contracts under \$10,000, do you envisage that you would have someone for six weeks and then, within a short period, employ that person again for a further six weeks? I am talking about those \$10,000 contracts. Is it a one-off?

Mr ELLIS: I would like to seek some assistance. I do not think that is possible, sir.

Mr SOSSO: John Sosso—

Mr BEATTIE: I did not ask you, Mr Sosso. If it is not possible—

Mr BORBIDGE: I understand that it is the practice that was there under the previous Government.

Mr BEATTIE: If it is not possible, what is the measure that prevents that from being done?

Mr ELLIS: Can I take that question on notice?

Mr BEATTIE: Yes, you can.

Mr ELLIS: I believe that would be simply—

Mr BORBIDGE: Mr Chairman, may I object? The Leader of the Opposition has asked a question. The director-general sought advice from another officer and the Leader of the Opposition sought to prevent that advice being provided to the Committee.

Mr BEATTIE: Mr Chairman, I am quite happy to come to Mr Sosso.

Mr BORBIDGE: With respect, Mr Chairman—

Mr BEATTIE: With respect, Mr Chairman, the Premier is appearing before this Committee; he is not running the Committee.

Mr BORBIDGE: Well, Mr Beattie, neither are you, with respect. What we had this morning—

Mr BEATTIE: Mr Premier—

Mr BORBIDGE: Mr Chairman, if I may be heard on a point of order.

The CHAIRMAN: Yes.

Mr BORBIDGE: This morning, I understand, on at least one occasion, the senior officer before the Committee sought advice from another officer and there was no objection from the Leader of the Opposition or from the Committee about that advice being provided to the Committee. If the Leader of the Opposition wants to grandstand, that's his business.

Mr BEATTIE: Mr Chairman, I draw your attention to the fact that this is an important time for us to pursue matters. Had the Premier not decided to be so sensitive about this matter, I intended to come to Mr Sosso.

Mr BORBIDGE: You prevented him. You prevented him from answering.

The CHAIRMAN: For the sake of saving time, it is obvious that Mr Sosso would have the answer to your question. I think we should refer this matter to him.

Mr BEATTIE: Mr Chairman, I am happy to finish this matter with Mr Ellis, but the Premier is not going to determine of whom we ask questions, thank you very much.

Mr BORBIDGE: Mr Chairman, I do not wish to; I am quite happy for the Chairman to make a ruling on this issue.

The CHAIRMAN: The question has been asked. Mr Ellis has indicated that he does not know and that he would refer to one of his officers. If he is available, as he is on this occasion, I think we should refer the matter to him immediately.

Mr BEATTIE: Thank you, Mr Chairman—

The CHAIRMAN: That is my ruling. I ask Mr Sosso to answer that question.

Mr SOSSO: What I was about to say to the Leader of the Opposition is, as I understand it, you can re-engage a person at the end of that period, that is, a person who is engaged for under \$10,000, but there is a Public Accounts Committee report indicating that that should not be adopted as a matter of good practice, and it is not the policy in the department to engage a person on the same terms in an effort to escape the \$10,000 upper limit. You can do it, but it is not regarded as good policy.

Mr BEATTIE: Are you aware that the practice has in fact happened?

Mr SOSSO: I am unaware—

Mr BEATTIE: Are you aware that that practice has in fact happened, where people have had their contracts renewed?

Mr SOSSO: I am not aware of all the consultancies, Mr Beattie. I am just referring to the policy.

Mr BEATTIE: Thank you. Mr Ellis, if I can come back to where I was before, if you could please provide us with that detailed information today, we would be grateful to know in particular if you are aware whether any of those contracts for consultants have been renewed under that \$10,000 figure in recent times.

Mr ELLIS: In the department?

Mr BEATTIE: Yes. Mr Chairman, I am happy to leave the consultancy issue there on the understanding and undertaking that we have been given by Mr Ellis to provide that information to us.

Mr BORBIDGE: I have some information that may be of assistance to the Committee in regard to this matter. I would point out that the estimated expenditure on consultancies for this financial year will be considerably less than that which was spent last year—down from \$1,571,000 to \$1,109,000.

Mr BEATTIE: Does that refer to your department?

Mr BORBIDGE: Yes.

Mr BEATTIE: Or does that refer to all departments?

Mr BORBIDGE: That's the Department of the Premier and Cabinet.

Mr BEATTIE: Perhaps we could have some indication of what total consultancies would be. Do you have that figure?

Mr BORBIDGE: Can I give you the breakdown to start with in regard to last year and this year? In 1995-96 Legislation Services was \$14,000; this year it is expected to be zero. Parliamentary and Government Services—last financial year, \$551,000; this year, \$242,000. State Development—\$348,000 in 1995-96; \$542,000 in 1996-97. Office of the Public Service—\$335,000 in 1995-96; down to \$140,000. Regional Services—in 1995-96 it was zero; this year it will be \$8,000. Corporate Services—in 1995-96, \$312,000; this year down to \$152,000. Ethnic Affairs—1995-96, \$12,000; this year it will be down to \$25,000. So it is a total for 1995-96 of \$1,571,000, with estimated expenditure on consultancies in the new financial year considerably less at \$1.109m.

Mr BEATTIE: I refer to the answer that was provided to a question on notice that I put in relation to public servant Wendy Armstrong. The answer was provided that Ms Armstrong's position will be advertised and filled in the normal manner and in due course as Ms Armstrong's position was gazetted on 8 March 1996. I ask the Premier: when will the advertisement for Ms Armstrong's position be undertaken?

Mr BORBIDGE: Could I refer that question to Mr Sosso?

Mr BEATTIE: He seems very popular today. Mr Sosso?

Mr SOSSO: Thank you, Mr Beattie. The position Miss Armstrong is currently acting in, which is the position of Principal Executive Coordinator SES3, is currently with Cullen Egan Dell for evaluation purposes. The situation with that particular position is that although it has been created by the Governor in Council under the Public Service Management and Employment Act—and under that Act the Governor in Council allocates to positions created a notional SES level—under the Public Service Management and Employment regulation, before that notional SES allocation can be advertised and the position can be filled on merit and equity principles, it has to be CED'd. The

situation is that the position description has been prepared and settled, Cullen Egan Dell have been supplied with a copy of the position description. A meeting has occurred with Cullen Egan Dell, but they have not formally evaluated the position. So the advertising of the position will be dependent on the timing of the submission of the Cullen Egan Dell evaluation.

Mr BEATTIE: Let me ask you this, since you at least have some idea of what is going on: why was it necessary to create a temporary position for her?

Mr SOSSO: I'm sorry, what—

Mr BEATTIE: Why was it necessary to create that position in the way that you have just outlined?

Mr SOSSO: That is the normal procedure. When the departmental structure was created—perhaps for the information of the Committee—pursuant to section 10E(1)(a), (b) and (c) of the PSME Act, the position of Principal Executive Coordinator, Office of the Director-General was created by the Executive Council on 22 February 1996 at the notional SES3 level. Pursuant to section 10E(2) of the PSME Act, an Executive Council minute of 29 February 1996 approved Ms Armstrong's temporary appointment to the position of Principal Executive Coordinator SES3 from 26 February 1996. Pursuant to section 10E(2) of the Public Service Management and Employment Act, Miss Armstrong's temporary appointment was published in the *Queensland Government Gazette* on 8 March 1996.

Mr BEATTIE: That does not answer the question. Normally, there would be some other temporary position that a person like that could fill.

Mr SOSSO: The answer to the Leader of the Opposition's question is that a position has been created and she was appointed to be the acting person in that position.

Mr BEATTIE: That is the appropriate way that you should answer. Mr Premier, the question is a political one: why was it created, then, by Cabinet?

Mr BORBIDGE: Because in view of the restructuring of the department and the need to make sure that the department was functioning in an improved and proper manner, it was my view, and subsequently the views of others, that that position should be created.

Mr BEATTIE: Mr Premier, is Ms Armstrong here?

Mr BORBIDGE: No.

Mr BEATTIE: Why is that?

Mr BORBIDGE: In my view, she is not a head of a division within this department. I must say, Mr Chairman, that I have been very concerned at the efforts of the Leader of the Opposition over a period of time to denigrate Ms Armstrong.

Mr BEATTIE: Mr Chairman, I draw your attention—

Mr BORBIDGE: He made claims in the Parliament the other week which were proved to be incorrect.

Mr BEATTIE: I want to take a point of order.

Mr BORBIDGE: He made allegations.

Mr BEATTIE: Mr Chairman, could I take a point of order? Mr Chairman, I have asked the Premier a question. It is not appropriate for the Premier to sit here and abuse any member of the Committee. Under the Standing Orders which apply to this Committee, we unanimously as a Committee sought to have a public servant appear before this Committee to answer appropriate questions in relation to public finances. The Premier has now indicated to this Committee—it was a decision of this Committee—that that person will not appear. Mr Premier, that is not only contempt of this Committee, it is contempt of the Parliament. I suggest that the Committee have a short—

Mr BORBIDGE: Mr Chairman, I would like to reply to the quite ridiculous abuse of the system.

Mr BEATTIE: Mr Chairman, may we have a short adjournment—

The CHAIRMAN: We will adjourn to discuss this matter.

Mr BEATTIE: This is a matter of grave seriousness.

Mr BORBIDGE: It was an invitation.

The CHAIRMAN: I adjourn.

Mr BEATTIE: Mr Chairman, may we adjourn and discuss this matter?

Mr BORBIDGE: Mr Chairman, I would like to put my point of view. This is not your Committee, Mr Beattie; this is a Committee of Parliament.

Mr BEATTIE: You are appearing before it as a witness—as a person to provide information.

The CHAIRMAN: Gentlemen—

Mr BORBIDGE: Mr Chairman, my understanding is that Ms Armstrong was invited to attend. Clearly, if it is the wish of the Committee to take the matter further, that is up to the Committee. My understanding was that an invitation was extended and that powers of compulsion so that the Leader of the Opposition could embark upon an inquisition for the Parliament—

Mr BEATTIE: Mr Chairman, could I just draw your attention to the fact that this was—

The CHAIRMAN: I will adjourn the meeting to B27.

Sitting suspended from 11.52 a.m. to 12.04 p.m.

The CHAIRMAN: The Committee hearing will now resume. I simply state that the Committee has resolved that we will continue with the questioning.

Mr BEATTIE: My next question to the Premier is this: on what basis was it determined that the duties performed by Ms Armstrong were at an SES3 level?

Mr BORBIDGE: Mr Chairman, the Leader of the Opposition will be aware that one of the first actions of the new Government was to abolish the highly politicised Cabinet Office, which was something like a refugee home for Labor Party candidates and Labor Party sympathisers. Clearly, following the abolition of the Office of Cabinet, we

returned certain responsibilities to on-line Government departments. However, it was decided that this new office would be created to, firstly, assist the Director-General in complex and sensitive matters, including settling high level documentation such as Cabinet submissions and information papers, correspondence and reports for the director-general, analyses of all relevant Cabinet submissions for the Director-General with particular reference for testing conformity of recommendations with formal policy positions of the Government and representing the Director-General in discussions with other Government departments and interest groups; secondly, to liaise with all Ministers and officers of directors-general in relation to the coordination of the Government policy content in proposed Cabinet submissions and also with respect to the implementation and monitoring of Queensland Government policy requirements; thirdly, to assist the Director-General as an adviser to the Cabinet Budget Committee, especially in checking Budget bids against Queensland Government policy; fourthly, liaise with the office of the Opposition with respect to policy determinations of the Government that might impact on that office; fifthly, liaise with the Cabinet secretary and advise the Director-General and the Premier on the policy implications of proposed Cabinet submissions suggesting, where appropriate, alternative recommendations to reflect whole-of-Government considerations; sixthly, maintaining a watching brief on relevant current affairs issues which impact upon the departmental policy advice that the Director-General may provide to the Premier.

Mr HAMILL: Premier, on the basis of that answer, it would appear that the officer in question is a key adviser assisting the Director-General. I ask the Director-General: was the Director-General involved in the selection of that officer?

Mr BORBIDGE: She has not been selected.

Mr HAMILL: I thought I had asked the Director-General.

Mr BORBIDGE: Again, Mr Chairman, the Opposition is completely misrepresenting the facts in relation to Ms Armstrong.

Mr BEATTIE: Give him a chance to answer.

Mr HAMILL: The question I asked was not directed at you.

Mr BORBIDGE: She has not been appointed; she is in an acting position.

Mr HAMILL: Was the Director-General involved in the selection of that person as an acting officer?

Mr BORBIDGE: You'll spend all your day picking on women.

Mr ELLIS: I am happy to answer the question, Chairman.

Mr BEATTIE: If the Premier will let you.

Mr ELLIS: I am sure the Premier will let me. Yes, indeed. At the time of the change of Government and the setting up of the new Department of the Premier and Cabinet, although I was not appointed acting Co-ordinator-General at

that time—I think it took some six to eight weeks—it was absolutely essential in respect of the office of Director-General that I have a number of people with the competence and experience to deal with certain matters that I needed to deal with. The Premier has just mentioned in respect of that coordination role in respect of the Cabinet process itself, but outside the Cabinet Secretariat, which is now simply a mechanical unit, the need to have that expertise. Indeed, there were very few people available who had such a good knowledge of the policy details of the new Government in any detail. That was one criterion.

The other, of course, relates to the fact that I have alluded to my role now as Co-ordinator-General, which I knew was going to happen anyhow, because traditionally the head of the Premier's Department has to accept or takes on the responsibility of the Office of the Co-ordinator-General under the State Development and Public Works Organisation Act. The activities of this person also impinged upon that work as we move into the development activities that are now following. Therefore, yes, looking at the talent available at that time and bearing in mind that the job was only a temporary one, I was perfectly happy to suggest it and I was happy that she accepted.

Mr BEATTIE: Mr Premier, we had an answer from Mr Sosso before which gave some indication that this position is in the process of being prepared for advertisement. Do you have any idea when it in fact will be advertised?

Mr BORBIDGE: I would expect once Cullen Egan Dell have finalised the work, which is now well advanced.

Mr BEATTIE: You would expect it shortly?

Mr BORBIDGE: I would expect it in the not-too-distant future.

Mr BEATTIE: You indicated in a previous answer that Ms Armstrong was involved in work where she reported to the Director-General. Does she also report to you on Public Service matters?

Mr BORBIDGE: My primary advice on Public Service matters comes from the Director-General of the Office of the Public Service.

Mr BEATTIE: Does she report to you on Public Service matters?

Mr BORBIDGE: Not as a matter of course.

Mr BEATTIE: Does she report to you on Public Service matters?

Mr BORBIDGE: Not as a matter of course.

Mr BEATTIE: I see; you are being as helpful as normal. Mr Premier, let us move to the Legislative Services subprogram. Staffing has been reduced from 48 to 43 and funding has been cut by \$450,000 for the stated reason of lower levels of activities in the Legislative Review Program. Does this reflect a lesser commitment to the review and updating of legislation?

Mr BORBIDGE: Mr Chairman, the Government took note that the budgetary and staffing resources of the Office of the Queensland Parliamentary

Counsel had grown appreciably since 1989-90, as follows: the budget in 1989-90 was \$1.1m; in 1991, \$2.656m; then \$2.974m—this is expenditure—\$3.836m; through to 1995-96, \$5.029m.

The Government was concerned that during this time frame the office's activity, particularly with regard to legislative reprints, grew appreciably from 689 pages in 1989-90 to 27,981 pages in 1995-96, and that this growth in activity had caused a considerable drain in resources. Further, it was noted that, even though the office's budget had increased appreciably, the office frequently exceeded its approved budget—\$850,000 in 1990-91; \$297,000 in 1992-93; and \$437,000 in 1994-95. To address this issue, the Government decided that the Office of Parliamentary Counsel be instructed to cease devoting resources to the rewriting of legislation unless a specific direction has been given by a particular Minister and/or a department to undertake that exercise, and that a working group comprised of senior representatives of the Departments of Premier and Cabinet and Justice review the operations of the Office of Parliamentary Counsel.

Mr BEATTIE: Are you planning to contract out any of the functions of the Legislative Services Program, such as the drafting of legislation currently performed by the Office of Parliamentary Counsel?

Mr BORBIDGE: Certainly not to any extent. Sometimes there has been a practice where for practical reasons it is prepared outside. But nothing above the norm is intended.

Mr BEATTIE: I understand that. I direct a question to Mr Wolff. I refer to the 20 per cent reduction in salaries indicated in program outlays for the Office of the Public Service. How will any savings be achieved when there is an increase in staff for the office in 1996-97? I took my shoes off, but it still didn't add up. There is a 20 per cent reduction in salaries indicated in the program, and yet you have increased staff for 1996-97. I assume you are not going to pay them less?

Mr WOLFF: I beg your pardon?

Mr BEATTIE: I assume you are not paying them less?

Mr WOLFF: The staff numbers were at 30 June. The staffing in 1994-95 was 50.4—would you excuse me for a second?

Mr LEIGHTON: Mr Chairman, I might be able to assist.

Mr BEATTIE: I'm happy to let Mr Leighton assist you.

Mr LEIGHTON: My name is Terry Leighton. I'm the finance director—

Mr WOLFF: Yes, 72 at 30 June 1995; 50.4 at 30 June 1996. And it will be 52, including six temporaries, at 30 June 1997.

Mr BEATTIE: But there is a 20 per cent reduction. That is what I am trying to get at. Notwithstanding that, you have a 20 per cent reduction in salaries indicated in the program outlays?

Mr WOLFF: Yes, but staffing has varied over a period and through the financial year.

Mr BEATTIE: I understand that, but you have a 20 per cent reduction.

Mr LEIGHTON: Mr Beattie, I might be able—

Mr BEATTIE: I am happy to let Mr Leighton assist.

Mr LEIGHTON: There are two things to consider here. The budget figures relate to full-year costs, both in terms of 1995-96 and 1996-97. In terms of the budget for 1995-96, that was premised on a full-year budget for the former Public Sector Management Commission, which had an establishment of 72 positions. In terms of the budget for 1996-97, that is premised on a reduced staffing complement of 52 staff for the Office of the Public Service, and the full-year costs of that. The problem with looking at the figures in the MPS and saying, "They have moved slightly", is that one has to remember that those figures are as at the end of 1995-96 and as at the end of 1996-97. While they might have moved up by two or three, in terms of full-year comparisons, if one looked at an annual equivalent average cost comparison, there could be significant movements either up or down.

Mr BEATTIE: Thank you, Mr Leighton. That makes sense to me. Mr Wolff, I ask: what effect will a 47 per cent budget cut to the Equity and Resolution Subprogram have on the implementation of the equal opportunity legislation and the access of public servants to adequate appeal mechanisms?

Mr WOLFF: Just a minute, please.

Mr BEATTIE: It is the Equity and Resolution Subprogram in your budget.

Mr WOLFF: It will have no effect. The Equity and Resolution Unit within the Office of the Public Service is staffed at a level sufficient to manage the current and anticipated workload. And the staff complement inclusive of the executive director, who coincidentally was formerly the Commissioner for Public Sector Equity, is seven. The new Public Service Act also introduced several reforms to the appeals system, including the introduction of a prima facie test which requires that appellants first demonstrate an arguable case before the appeal is scheduled to proceed.

Mr BEATTIE: Is that reducing the number of cases? I am not trying to be rude to you, Mr Wolff, I am just trying to understand this. If you reduce the number of cases, that is where the 47 per cent reduction is brought about?

Mr WOLFF: Yes, it will assist.

Mr BEATTIE: What other things are there?

Mr WOLFF: I beg your pardon?

Mr BEATTIE: What other things are there?

Mr WOLFF: The other things are: the introduction of protective appeals which will bring greater certainty to the flow-on effect of promotion appeals; providing greater encouragement to agencies to seek an exemption from promotion appeals by working with the Office of the Public

Service to have their selection processes quality assured through an audit process; providing some reasonable time limits to the range of matters that can be objected to in a fair treatment appeal. It will now be clear that employees cannot use a fair treatment appeal to object to the policies or strategies of their department. They will now be very clearly limited to appealing only the manner in which those policies et cetera are applied or not applied in respect of them as individual employees. There is also the elimination of the potential for jurisdiction-shopping complaints from the Office of the Public Service Appeal Tribunal to the IRC. Once a matter is heard in either place, it will now not be possible under the law for the other tribunal to receive and hear the matter.

Mr BEATTIE: To assist Mr Wolff and us, I am happy to put this question on notice to you. Could you give us a breakdown of how you are going to save that 47 per cent in each one of those general areas? I do not want it down to the last percentage. For example, if reducing the number of complaints is 10 per cent, can you give us some idea of that? Notionally, when you look at a reduction of 47 per cent in the budget, it does sound a fairly significant alarm bell to me in respect of that particular subprogram. To be fair to you, perhaps you can give us a bit of paper which sets that out.

The CHAIRMAN: We will take that on notice.

Mr WOLFF: Yes, we can. It will be estimates. We will do that.

Mr BEATTIE: Sure, we understand that. Mr Premier, there has been some reference to a special program to recruit women into senior positions in the Public Service. I ask, if anything, has been done through this program in 1996-97 to encourage women into senior positions in the Public Service?

Mr BORBIDGE: Mr Chairman, as of 30 June 1995, women comprised 52.4 per cent of the Queensland public sector work force. Significant gains in women's employment in 1994-95 include a substantial reduction in the gender differential at the higher salary level. In 1993-94, women comprised 27.4 per cent of staff at salary levels 6 to 9 with 11.9 per cent of positions at levels 8 to 9 held by women. In 1994-95, women's representation at the 6 to 9 levels increased by 35.2 per cent, with 16 per cent of positions at levels 8 to 9; and 84.2 per cent of all women employed in the Queensland public sector are now in permanent employment, which is an increase of 9 per cent over 1993-94. There has been an improvement in the occupational segregation of women, with an increase in the representation of women in the technical stream. In July 1995, targets were established for the representation of women in management levels of the public sector by the year 2000. The targets include: minimum 20 per cent SES positions to be held by women—currently 14.5 per cent—and minimum 30 per cent of middle and upper management positions to be held by women—currently 23 per cent. The Office of the Public Service, in partnership with agencies through their equal opportunity employment management plan, is undertaking a range of initiatives to support achievement of these targets: development of progressive career development strategies,

increasing the representation of women on agency decision-making bodies, actively changing management cultures that do not meet the needs of women, reviewing position descriptions of management and supervisory positions, investigating further policy and industrial relations initiatives consistent with the work and family policy, establishing interchange agreements with other levels of government and with appropriate private sector organisations, and further work on competency development. The Office of the Public Service has advised agencies of the need to monitor organisational change to guard against adverse impact on women. In April 1996, the 1996 guide for planning, evaluating and achieving EEO outcomes referenced this issue. The Commissioner for Public Sector Equity also raised this issue with several agencies relating to requests for lodgment extensions of 1994-96 EEO annual reports where organisational restructuring was occurring.

Mr GRICE: I would like to draw the Premier's attention to page 4-4 of the Ministerial Program Statement, particularly the table on staffing. That table indicates that at the end of the previous financial year actual staff numbers for the department stood at 333, compared with estimated staff numbers for the current financial year showing 376. Again, given the changes that have occurred in the department, could the Premier explain why staff numbers are proposed to be increased in this department?

Mr BORBIDGE: As I indicated earlier to Mr Beattie, following the establishment of the Department of Economic Development and Trade, the staffing resources of the former Department of the Premier and Economic and Trade Development were split between the two Government departments, and I can provide a breakdown of that to the Committee if it would assist. At the end of 1996-97, it is estimated that 376.1 staff will be employed, representing an increase of 10.1 staff. The increase in overall staff primarily reflects machinery of Government changes—15 staff net—and additional staff for new functions undertaken by the new department—18 staff. Accounting for these factors, there has been a decrease in staff numbers of 23. The particulars are as follows: machinery of Government changes—Government Air Wing, 6; Ethnic Affairs, 26; the Women's Policy Unit to Treasury, minus 17, giving additional staff of 15; new functions—regional office staff, 11; the Office of Indigenous Affairs, 3; and for the Independent member and ex-Premier, 4, giving a total of 18. So total adjustments to the 1995-96 staffing numbers amounts to 33 staff. The 1995-96 staffing numbers should therefore be adjusted for both the machinery of Government changes and the new functions that I have detailed to the Committee. Taking these into account, the staffing numbers for 1996-97 have actually decreased by 23 staff.

Mr SPRINGBORG: I refer the Premier to the changes in the structure of the department outlined on page 4-3 of the Ministerial Program Statement and, in particular, the abolition of the Office of the Cabinet and the Public Sector Management Commission. Could the Premier outline what the

financial implications were, with particular emphasis on redundancy and redeployment?

Mr BORBIDGE: Yes. In response to the honourable member—under the former Government, 20 positions were deemed surplus to departmental requirements. Due to the outsourcing of the department's information technology function—15 positions. Ten employees were paid VER benefits totalling \$395,000, four employees were successfully redeployed to CITEC and one employee was redeployed to the Financial Services Branch. An internal restructure of the Office of the Cabinet—2 positions. Two employees were paid VER benefits totalling \$120,000. In respect of departmental restructure—3 positions. Three employees accepted VER benefits totalling \$166,000. In terms of redeployment activity since the change of Government—since the change in Government, 26 positions have been deemed surplus to the department's requirements as a result of reorganisation, and they are reflected as follows: Office of the Cabinet, 15 positions. Five employees have accepted VER payments totalling \$380,000; two officers have been successfully redeployed to the Department of Training and Industrial Relations and to the Department of the Treasury; six officers are currently undergoing redeployment; and two were retrenched after failing to be successfully redeployed and received benefits of \$72,000 in total. In respect of the Office of the Public Service—10 positions with the downsizing of the PSMC to the OPS. Ten staff accepted VER benefits totalling \$365,000. VER payments of \$61,000 were also made for one ministerial officer.

The CHAIRMAN: I refer the Premier to page 4-13 of the Ministerial Program Statement, particularly the Parliamentary and Government Services Program. I note that in the current financial year strict controls over the access to Cabinet documentation will continue to be enforced. Would the Premier please indicate to the Committee what procedures he has adopted to give effect to this policy?

Mr BORBIDGE: Mr Chairman, the *Cabinet Handbook* of 1995 states in respect of these matters—

"By convention, the current Government does not have access to Cabinet documents produced by a past Government of a different party. These documents are held in trust by the Cabinet Secretary and the chief executive of each department."

If I could give as an example of how we have honoured this particular convention—on 8 May 1996, I wrote to the Leader of the Opposition informing him that Cabinet had approved the briefing of Messrs Morris, QC, and Howard to provide advice whether it is in the public interest that a public inquiry be conducted to investigate claims by Kevin Lindeberg, Gordon Harris and John Reynolds. Mr Beattie was also informed that I was in receipt of correspondence from the barristers requesting that it be communicated to the Leader of the Opposition that, in their view, it would be highly desirable for any relevant Cabinet submissions and decisions relating

to this matter to be available for perusal. I informed Mr Beattie about the Westminster convention of accessing the Cabinet documentation of a previous administration. I conveyed to the Leader of the Opposition the following assurances of Mr Morris, QC—

- "(1) any Cabinet documents which are provided to me or to Mr Howard for the purpose of our preliminary investigation will be treated with the utmost confidence. In particular, we will not disclose to any member of the present Cabinet anything which may emerge from a perusal of these documents except in accordance with item (2) below;
- (2) If anything emerges from our perusal of Cabinet documents which we consider ought to be included in our final advice to the Premier, we will ensure that any excerpts from Cabinet submissions or decisions are limited to matters which are directly and specifically pertinent to the subject matter of our advice;
- (3) If the Leader of the Opposition so requires, we can arrange that any part of our advice, which includes reference to Cabinet documents, be the subject of a separate confidential advice with the intention that this advice will not be tabled in Parliament or otherwise made public."

On 20 May 1996, the Leader of the Opposition responded. He refused consent and made the following comments—

"The principle of Cabinet confidentiality is a cornerstone of good government in the Westminster tradition. No good cause has been made out in your letter, or otherwise, for compromising that principle.

The particular allegations have already been the subject of exhaustive independent investigation by the Criminal Justice Commission and other bodies.

One must question the legitimacy of your Government's actions in this matter. The recent experience of the Western Australian Government using taxpayers' money to fund an inquiry into the actions of a former Premier, demonstrates the dangers to democracy in an incoming Government's use of an inquiry as a witchhunt into the actions of its predecessor.

The brief which has been given, according to your letter, to these barristers is of a political, rather than legal, nature.

Your letter indicates that the barristers have not been asked to answer any specific questions of fact or law, but rather have been asked, 'to provide written advice as to whether it is in the public interest that a public inquiry be conducted . . .' In the absence of any issues of fact or law to govern the determination of what is in the public interest, your Government's brief to counsel is uncertain to the point of being objectionable. It is open to the interpretation that your Government is seeking to obtain some

cloak of legal respectability for a politically motivated inquiry. The political attacks mounted by the Member for Beaudesert in relation to the Heiner documents over a number of years should also be noted in this regard."

By letter dated 21 May 1996 Mr Morris, QC, was provided with a copy of the letter from the Leader of the Opposition. Mr Morris, QC, has not made any further requests for access to the Cabinet documents, but I am happy to table relevant correspondence to indicate how that particular convention is of course being honoured by this Government.

Mr GRICE: I refer the Director-General to page 4-16 of the Ministerial Program Statements, the Parliamentary and Government Services subprogram, and note that the 1996-97 Budget provides \$750,000 for Inter-Governmental Relations. Could you please outline what functions will be undertaken by the Inter-Government Relations subprogram this financial year?

Mr ELLIS: The targets for 1996-97 for the Inter-Government Relations Division are as follows: to provide a high level support and briefing for the Premier for meetings of COAG—the Council of Australian Governments—a Leaders Forum, the heads of the States and Territories; the Treaties Council, which has been agreed to through COAG; continued coordination of Queensland's interests in the national reform agenda for Commonwealth/State relations; continue Queensland input into the review and monitoring of the Native Title Act; continue to oversee implementation by Queensland of the 1995 National Competition Policy Agreements; contribute to the Commonwealth review of the National Greenhouse Strategy and the National Strategy for Ecologically Sustainable Development; facilitate coordination of Queensland's input into the Commonwealth/State Ministerial Councils, and as you know there are many of those; and continue to coordinate Queensland Government submissions to national and interstate inquiries and reviews.

If you wish, I could expand on the COAG involvement, which comprises the Prime Minister, the Premiers and the Chief Ministers and the President of the Australian Local Government Association. Much of the work of this branch, especially as it is emerging in recent weeks, I think will be focused more and more on the work that is being generated in this forum and also in the Leaders Forum, which I said a moment ago comprises all Premiers and the Chief Ministers. COAG and the Leaders Forum are traditionally held twice yearly, with the Leaders Forum preceding COAG. Both forums are preceded by a series of senior officials meetings to establish the agenda and prepare papers for discussion by heads of Government.

The second COAG meeting for 1996 will in fact be held here in Brisbane on 15 November. Both of these forums deal with national policy issues arising in some instances out of ministerial councils and others which emanate from federalism or constitutional issues. National Competition Policy and Native Title issues are examples of these issues and, as the Committee would be aware, these two

particular issues are of vital importance to us here in Queensland at the present time.

The Inter-Government Relations Division provides a central coordination point for input by all Queensland agencies into the issues raised within these forums. The branch prepares detailed whole-of-Government briefs for the Premier and consults with other jurisdictions on most issues. The major cost associated with the provision of the services in this area are travel and accommodation costs for staff attendant at senior official meetings and working groups. There is a budget allocation for this purpose in 1995-96 of \$50,000. Maintaining a high level of involvement in these forums is essential if Queensland is to retain appropriate influence over Commonwealth/State relations, particularly at this point in our history in relation to Federal affairs.

Mr SPRINGBORG: My question is to the Premier. I refer to the Corporate Services area on page 4-35 and note that the Department of the Premier and Cabinet has negotiated a service agreement with the Department of Economic Development and Trade. Could the Premier indicate the benefits of this, including any savings?

Mr BORBIDGE: This department recently entered into a joint corporate services agreement with the Department of Economic Development and Trade, and under this arrangement the cost of service provision was accomplished with additional total costs of under \$1m. It is estimated that savings from the joint Corporate Services function will be \$4m per year. The provision of a centralised Executive Building corporate support function to service the Department of the Premier and Cabinet, the Department of Economic Development and Trade and the Treasury is currently under consideration.

The Government is of the opinion that cost savings in the vicinity of 30 per cent of existing combined budgets could be obtained from extending the agreement to incorporate the provision of the corporate services function to Treasury Department. As well as the considerable financial benefits to be obtained from this type of agreement, benefits would be obtained from the efficiencies generated by an experienced and motivated staff using economies of scale and negotiated agreements which will ensure specific and timely service provision for all investments. If the corporate services function were provided by a centralised set of experts, the departments would be free to focus on core activities. Savings generated from the centralised provision of corporate services functions would be redirected to vital initiatives in other program areas. Prior to any implementation of joint corporate service functions on a wider scale, other issues of concern, such as staff downsizing and logistical issues, would be given full and serious consideration from a whole-of-Government perspective.

The CHAIRMAN: I refer the Director-General and Co-ordinator-General to the State Development Division on pages 4-18 and 4-20 and ask: what is the State Development Division and what major projects

has it been dealing with since the change of Government?

Mr ELLIS: The State Development Division of the department, which you recall the Premier mentioned earlier is a new division, has an establishment of 54 positions and they are distributed as follows in branches: Executive, eight; State development coordination, 16; State works program, eight; strategic planning, 10; information planning, which was the old Information Planning Board support, 12, unchanged. That is a total of 54. The major projects with which the division has been dealing since the change of Government in the first instance relate to the work that I have generated in my own right as the Co-ordinator-General, particularly in relation to the development of the State Works Program and a rolling program for 10 years, and this is being developed under the umbrella of the State's strategic plan in association with the Department of Economic Development and Trade.

In other relevant departments coordinated by the Co-ordinator-General, a number of major projects are also in the pipeline. Without meaning to make a pun, that includes the gas pipeline developments including Tenneco's Ballera to Wallumbilla gas pipeline, the AGL Ballera to Mount Isa pipeline, and the Papua New Guinea Pandora to north Queensland gas pipeline.

We are also very much involved with Economic Development and Trade in Western Mining Corporation's Queensland phosphate high-analysis fertiliser plant proposal; connection of the MIM Ernest Henry and Cannington mines by NORQEB to the Mica Creek Power Station; Century Zinc project and slurry pipeline to Karumba, which is very topical; Comalco alumina refinery; the Stuart oil shale project; the Korea zinc refinery; large urban developments at Mango Hill and Springfield; Atherton Tableland sugar mill; the port of Karumba dredging; the Burdekin hydro scheme; the Cairncross dry dock; and the Comet River dam near Rolleston township.

Mr GRICE: I refer the Premier to the Ministerial Program Statements and, in particular, the Parliamentary and Government Services subprogram on page 4-16 in relation to the Government Air Wing. As the Budget has risen from \$937,000 in 1995-96 to \$1.671m for 1996-97 after actual expenditure of \$1.162 last financial year, could the Premier outline the main reason for this increase?

Mr BORBIDGE: The Government Air Wing provides fixed-wing services to meet emergency and other specified aviation needs of the community and Government. These services include organ transplant retrievals, search and rescue, counter-disaster operations and official transport. The budget for 1996-97 comprises labour costs of \$0.413m, non-labour costs of \$1.555m and expected recoveries from operations of \$0.296m. The budget for 1996-97 remains largely unchanged, with the exception of the provision of \$0.45m in leasing costs for aircraft replacement and \$0.3m for a major engine overhaul on an existing aircraft. The aircraft to be replaced is the Beechcraft KingAir 300, which is 17 years old. A report by Travers Morgan Pty Ltd in August 1994

recommended replacement of this aircraft. The new aircraft will be acquired through a finance lease over a term of 10 years with the option to purchase at the end of the lease term. The lease arrangement entered into presents the most viable alternative available for the intended acquisition.

I may just inform the Committee that during the 12-month period to 30 June 1996, Queensland Government aircraft have flown on 240 occasions for a total of 849.8 hours. The aircraft were involved in 30 organ transplant retrievals and five search-and-rescue missions. A breakdown of activity and percentage of hours is as follows: search and rescue, 1.74 per cent; organ retrieval, 14.05 per cent; ministerial transport and official transport for the Governor, 73.39 per cent; support to departments and agencies, 8.74 per cent; training, maintenance and other purposes, 2.08 per cent. During the period 28 March 1996 to 30 June, the aircraft were involved in three search-and-rescue missions, including one near Norfolk Island. In addition, the Air Wing undertook four organ transplant retrievals, including two to New Zealand. A total of 302.7 hours were flown by the two aircraft in the performance of 93 tasks.

Mr SPRINGBORG: A major initiative outlined on pages 4-28 and 4-29 of the Ministerial Program Statements has been the establishment of offices of the Premier in Townsville and other regional centres. Could the Premier outline the benefits of this program in terms of economic development and general communication with Government?

Mr BORBIDGE: The Department of the Premier and Cabinet, in conjunction with the Department of Economic Development and Trade, is establishing a network of regional offices in Queensland. The offices will be responsible for facilitating the coordination of key Government activities and will provide leadership and direction for major State development issues. The offices will also provide a focus for high-level Government representation that can be accessed by business and the community in regional areas of the State. The hub office has been located in Townsville, with support offices in Cairns, Mackay and Rockhampton. Staff from both the Department of the Premier and Cabinet and the Department of Economic Development and Trade will be located in the Cairns, Townsville and Mackay offices. Because of the nature of the respective client groups, the Rockhampton office will be staffed by Premier and Cabinet personnel, while the Gladstone office will be staffed by Economic Development and Trade.

With respect to the Townsville office, which is presently located on the ground floor of Suncorp Plaza, Sturt Street—upon completion of the fit-out of floor 10, the office will be relocated to that floor and will share space with the Department of the Premier and Cabinet. I am referring now to the north Queensland office of the Premier. Provision has also been made on the tenth floor for a functional Cabinet room to permit regular meetings of State Cabinet to be held in Townsville. This will also provide a venue for visiting Cabinet Ministers and senior public servants during visits to north Queensland. Fit-out

costs will be shared with the Departments of Treasury and Economic Development and Trade, which will use the premises for their regional office network hub.

I have been delighted with the strong degree of community support that this initiative has received from people in north Queensland, including people as diverse as the Mayor of Townsville and others. It is a very major initiative which is designed to take the central agency out of George Street and put the Government into regional areas of this State through the central agency of the Department of the Premier and Cabinet.

The CHAIRMAN: I refer the Public Service Commissioner to staff resources of the Office of the Public Service on page 4-27. By how much has the Public Sector Management Commission been downsized into the Office of the Public Service, and why?

Mr WOLFF: The new office of the Public Service will be staffed by 52 officers, in contrast with 72 officers within the former PSMC. This means that the central agency will be staffed by 20 fewer staff. The organisational structure, responsibilities and role of the Office of the Public Service were addressed in recommendations outlined in the second Wright report following two rounds of consultation with public sector agencies and unions regarding the future role and direction of the Office of the Public Service. To support the major focus of the office in facilitating increased responsiveness and improved client service in the public sector with new systems of accountability and increased autonomy, an appropriate staffing structure has been put in place to support the role and functions of the new office. Within this context the director-general of the office created an organisation with five key functional areas.

The first one was dealing with leadership and development, designed to provide modern leadership in management development practices throughout the Public Service. That consists of eight staff: an executive director SES3, three AO8s, two AO7s, one AO5 and one AO3.

The second area was organisational management designed to provide continual improvement of management frameworks and strategies in the Public Service with benefit from quality advice and innovative solutions. That consists of nine staff: an executive director SES3, three AO8s, four AO7s and one AO5.

The third area deals with work force practices designed to support Government and agencies with agreed work force and employment guidelines, practices, advice and assistance in achieving and implementing these guidelines and practices. That area has a staff of 11: an executive director SES3, three AO8s, five AO7s, one AO4 and one AO2.

The fourth area is executive services, designed to provide recruitment, selection and contracting processes resulting in a highly capable and accountable chief executive officer and SES group within the service. It consists of eight staff: an executive director SES3, two AO8s, an AO7, an

AO5, two AO3s and an AO2. The fifth area was equity and resolution, which deals with the appeal area, and it has a staff of seven. In supporting the new direction of the office, the size of the office has been reduced in comparison with the PSMC's operating establishment.

Mr GRICE: Mr Wolff seems to have hit top form. I would like to refer the Public Service Commissioner to the Program Statements on page 4-22 and ask: how many officers have moved out of the PSMC since the change of Government and why?

Mr WOLFF: The new office will be staffed, as I mentioned, by a much smaller unit. As a result of the change of Government, the functions, structure and resourcing requirements of the new office have changed from those in operation during the lifetime of the PSMC. Once the structure and resourcing requirements of the office were determined, all temporary employment arrangements and secondments from other departments were terminated. That action was taken pretty promptly. Those seconded officers from other departments returned to their original department to continue their careers in the Public Service. Since the change in Government in February 1996, the PSMC has reduced in size: 10 of the staff accepted VERs, two SES officers were assigned to other departments, 12 accepted secondments to other departments, two were appointed to other departments, five temporary staff were terminated, six staff are on maternity leave and one officer is on long service leave.

Six officers were translated across to the Office of the Public Service. During the transitional period, there have been no staff resignations or redundancies. Where existing staff and their skills match the new office structure, those staff have been translated across at level to the new office. Six staff have been translated. A number of other officers may potentially translate in a similar manner.

Mr HAMILL: It almost sounds like Ethnic Affairs rather than moving personnel.

Mr BEATTIE: Is it a horrible experience being translated across?

Mr WOLFF: No, it is usually good for the staff concerned; they appreciate that.

Mr BEATTIE: I was worried for a minute.

Mr BORBIDGE: Would you like to be translated?

Mr BEATTIE: I am sure that there are equal people who would like to do the same to both of us, Mr Premier.

Mr WOLFF: All VERs were managed in accordance with the appropriate public sector management standard.

Mr SPRINGBORG: I refer the director-general to page 4-3, Program Outlays, as they relate to the Office of the Cabinet. How many officers were on the establishment of the Office of the Cabinet prior to its disbandment since the change of Government in February? How was the disbandment achieved in terms of outplacement of officers to other areas?

Mr ELLIS: The Office of the Cabinet was abolished, as you know, by Order in Council dated 22 February 1996. Prior to its abolition, the office was never fully resourced in terms of either dollars or staff. It was common practice for the office to second staff from other departments to assist with specific projects. Costs were minimised wherever possible with the former Department of the Premier, Economic and Trade Development providing financial assistance. That issue of underresourcing was recognised by the former Government in the department's 1996-97 Forward Estimates, which included budget supplementation of \$600,000 for the Office of the Cabinet. For the 1995 financial year, the former Office of the Cabinet was provided with 81 staff and a budget of \$6.847m, excluding Corporate Services allocations.

Following its abolition, the budget, and in some cases the staff, of the former office were redeployed as follows: it created the new State Development Division, to which I have already referred, with funding of \$4.017m for 36 staff incorporating the division's directorate; the State Development Coordination Branch, 15 people and \$0.888m; the State Works Program Branch, seven staff and \$0.543m; and the State Strategic Planning Branch, eight staff and \$0.634m. The other area to which they were deployed was the Director-General's Office, funding of \$0.567m for six staff to undertake the policy coordination functions and the former Office of Cabinet and Coordinator General's, to which I referred earlier. A new Cabinet Secretariat—funding of \$0.405m for eight staff, reflecting the Government's commitment to an expanded regional Cabinet schedule. Creation of the new Office of Women's Affairs, which was previously the Women's Policy Unit, within the Treasury Department, took up 17 staff and \$1.256m; the establishment of a new legal unit—funding of \$0.6m for six staff; and the creation of the new Inter-Government Relations Branch, eight people funded by budget supplementation, and I have described their activities to you previously.

The CHAIRMAN: I refer the Public Service Commissioner to key outputs of his office as shown on page 4-25. I ask: how many appeals have been heard by the Office of the Public Service/PSMC in 1995-96, how long does the process take to hear an appeal, and how many appeals are awaiting determination?

Mr WOLFF: Mr Chairman, 111 appointment appeals were heard and determined by tribunals from July 1995 to June 96. Of those, 42 were allowed and 69 were dismissed. In the fair treatment appeals, 44 were heard and determined in 1995-96. Of those, seven were allowed, 29 dismissed and eight were negotiated settlements. Discipline appeals—12 were heard and determined over the period 1995-96. Of those, six were allowed and six dismissed.

You asked how long can you expect before an appeal is heard—appointment appeals take approximately four weeks. Agencies are given two weeks to prepare documentation. Appellant and appointee then have one week to prepare their written cases and an appeal hearing is conducted

one week later. Fair treatment appeals—approximately three to four weeks; discipline appeals—approximately three to four weeks.

You ask how many appeals are awaiting determination. Appointment appeals as at 16 September 1996—13 appeals have been heard, and are awaiting determination, and a further 24 are awaiting hearing. In fair treatment appeals as at 16 September, two appeals have been heard by tribunals and are awaiting determination and a further 14 appeals are awaiting hearing. With regard to discipline appeals, as at 16 September, six appeals have been heard by tribunals and are awaiting determination and a further one appeal is awaiting. That is the current situation.

Mr GRICE: I refer the Public Service Commissioner to key outputs of his office as shown on page 4-25. What are the main outcomes that can be expected from the Office of the Public Service in 1996-97.

Mr WOLFF: The role of the office is to support the Government in the management of the Public Service. The office was established on 22 February 1996 to support the Government's agenda to significantly improve the delivery of services to clients and to work closely with chief executive officers. During 1996-97, the office will assist departments to implement the new Public Service Act when it is in place, which provides a clearer focus for public servants and improves management employment arrangements. The office will develop a new framework for supporting leadership and development at all levels across the Public Service. It will develop a strategic management framework for Queensland Public Service, which is a joint project with Queensland Treasury to assist agencies manage change and improve service to clients. The framework will be designed to assist agencies to prioritise, target and implement improvements to their financial, people and information management practices. The framework's key focus will be to articulate linkages between finance, people and information—achieving improved service delivery; to implement a new model for CEO performance management and accountability arrangements for chief executives during 1996-97, including contracts of employment and performance indicators for application in 1997-98; to commence a regular publication of a new *Public Service News* designed to provide useful information on happenings and changes throughout the Public Service; to finalise reviews of the classification and remuneration system, Remote Area Incentive Scheme, Government Employee Housing Scheme, and implement such outcomes by late 1996.

We will also be carrying out replacement of current work force and employment standards with a set of less prescriptive work force principles in 1996-97. We will also evaluate agency EEO management plans in accordance with the Equal Opportunity in Public Employment Act 1992. Furthermore, we will identify best practice EEO initiatives and we will facilitate and process additional applications for exemptions from appointment appeals.

Mr BEATTIE: Mr Premier, I notice on page 4-21 of your Estimates it shows an allowance of \$2m for a Co-ordinator-General's Advance, which is said to be used to fund grants to local government entities and other whole-of-Government issues. We put a question on notice and got some answers indicating that the fund will be used to develop the airstrip on Orchid Beach, and so on. I just wonder why this grant is administered by your department and not the Local Government Department. I ask as kindly as I can: is this just another slush fund that you are going to have at your disposal? The Treasurer has one for \$259m. Why have we got this Co-ordinator-General's fund with \$2m in it?

Mr BORBIDGE: I am sure that the Leader of the Opposition would agree that if it was a slush fund, it is the economy model. Can I say that he is wrong—dead wrong—in respect of both accounts. I am sure that the Treasurer will be able to provide a suitable education to the Leader of the Opposition as to why she has continued a particular program—this particular program.

Mr BEATTIE: This one is new.

Mr BORBIDGE: Yes, this one is new. I make the point to the honourable member that the main projects that are covered by this relate to whole of Government. I will give you three examples which I suggest will probably use up a fair degree of this particular fund: the restoration program for St John's Cathedral is being funded out of the Co-ordinator-General's fund, and that is an amount of—

Mr BEATTIE: \$200,000 over 10 years.

Mr BORBIDGE: Yes, that is coming out of there.

Mr BEATTIE: You have the airstrip on Fraser Island.

Mr BORBIDGE: The airstrip on Fraser Island is coming out of there. The big-ticket item in respect of this particular fund will be the costs associated with the right-to-negotiate provisions of the Native Title Act. As the Leader of the Opposition will be aware—and I thank him for his support on this particular issue—the former Governor-General, Mr Hayden, has been appointed to lead our negotiating team. We have estimates in respect of the quite substantial costs that will be involved in giving due diligence and good faith to the right-to-negotiate provisions. We would expect that that could be a timely and costly exercise not on the part of Mr Hayden, who has been extremely reasonable, but in terms of the costs involved in that process, which we estimate could be as high as \$1m depending on how long that process goes on.

So in general terms, they are the sorts of activities that will be picked up in this fund. They will be whole-of-Government initiatives, or initiatives to assist specific projects or areas that do not fall within the jurisdiction of on-line Government departments or where on-line Government departments may have a bit of trouble filling the need. For example, there is also a request from Cook Shire Council in regard to possible assistance for them in regard to an interpretative centre. So it is basically a whole-of-Government response.

Mr BEATTIE: Let me move to the Corporate Communications and Information Office, which you have created. I want to go through a number of points on it, and perhaps if you could answer them all together. There is a staff of 13 and a budget \$3.1m, which is almost three times that of last year's allocation for central communication management. I just wonder how you explain this massive increase. I note the role of this office is to include whole-of-Government communication. I just wonder whether the full-page ads—the propaganda ads—which appeared in Queensland newspapers after the Budget are an example of this whole-of-Government communication. How much did that campaign cost the taxpayer? Can we expect more of these ads? Why will this office now coordinate the appointment of advertising across the Government? Will this office engage in negotiations with newspaper publishers over the placement of Government classified advertisements?

Mr BORBIDGE: I was expecting this question because I asked my predecessor when I was Leader of the Opposition a similar question last year. I received a lecture where my predecessor took great offence at certain remarks, which I suggest you have just echoed, and he did—

Mr BEATTIE: He echoed them three times—in a multiple of three.

Mr BORBIDGE: That is right. He did inform the Estimates Committee that this was a recommendation of PEARC, and he was very proud of it, and that it was all going to a good cause. I refer the honourable member to Estimates Committee A last year where the justification for this unit and increased expenditure—

Mr BEATTIE: I have read it.

Mr BORBIDGE: That was put forward by the former Leader of the Labor Party and former Premier. Mr Chairman, the office will have a much wider focus than previous years. The increase in expenditure principally reflects prior year advertising commitments carried forward to 1996-97 as well as labour and capital costs incurred in establishing the refocused office.

In total, 1995-96 expenditure comprised \$209,000 for labour and administrative costs for the department's speech unit; \$312,000 for labour and administrative costs for the former communications coordination unit; \$362,000 for whole-of-Government advertising; \$319,000 for major events coordination, including the RNA, Queensland Day, Australia Day and the Colonial George Street Festival; and \$176,000 for building services and other charges.

In respect of 1996-97, the budget includes a significant increase to facilitate implementation of the office's enhanced role. The budget for 1996-97 provides for \$0.7m in labour costs for 13 staff; \$2.398m in non-labour operating costs, consisting of \$1.878m for whole-of-Government communications information provision and special events, comprising \$250,000 for the national gun law public information and advertising, \$200,000 for a gun laws phone hotline, \$45,000 for an on-line Government information resources directory, \$25,000 for a

ministerial directory, \$140,000 for generic business investment promotional publications, \$250,000 for awareness stimulation advertising relating to business investment, \$718,000 for a contingency provision for whole-of-Government public communications, which will support Government policy development, \$0.322m for special events coordination, which consists of \$100,000 for Queensland Day, \$100,000 for the Colonial George Street Festival, \$80,000 for the RNA, and so on.

Mr BEATTIE: I am happy to let the Premier continue if he indicates whether the Budget ads come out of that amount as well. If not, where did they come from?

Mr BORBIDGE: I would have to take that on notice.

Mr BEATTIE: Can you please do that and provide it to us?

Mr BORBIDGE: Yes, certainly. I would be happy to.

Mr BEATTIE: And the cost, which is the point, out of all of that. Mr Premier, in terms of the Regional Services subprogram, the non-labour costs for these offices almost equal the labour cost, which is quite unusual. What expenditure does the line item represent? This is 4-2—non-labour costs of the offices is almost equal to the labour cost, which is quite unusual. What does that line item represent?

Mr BORBIDGE: The 1996-97 budget supports the administrative requirements for the four new offices at Townsville, Rockhampton, Mackay and Cairns. In aggregate, the budget provides for: building services charges, \$153,000; travel costs, \$93,000; motor vehicle running costs, \$41,000; telephones and fax costs, \$42,000; office consumables, \$46,000; and other administrative costs, such as postage and printing, \$68,000. It is expected that non-labour operating costs will reduce in future years, as 1996-97 budgets compromise both recurrent operating costs and some non-recurrent start-up costs.

Mr BEATTIE: Mr Premier, I would have thought that there was one area on which you and I would have agreed—the funds and resources allocated to the Opposition. You may recall that this was a matter of some importance to you when you were sitting in my position. Indeed, you made a submission to EARC about it. I quite fancied your submission to EARC. In fact, I warmed to it. I refer you to your submission to EARC and pay tribute to you. It was an excellent submission.

Having said that, let me turn to the fact that in net terms the Opposition is getting a reduced amount in real terms this year. If you look at the actual expenditure and compare it to what was budgeted for last year, you will find that we are in fact below where we were last year. I am not interested in getting into a protracted argument with you today. I simply say to you that, if we are going to be serious about the resources of the Opposition, there is no funding for additional staff. We really need to resolve this issue. As I said you privately, we need to work out whether it is administered out of the Parliament or administered by the Premier's

Department. Terry knows how difficult this is. All I am asking is: when will we resolve it?

Mr BORBIDGE: I would point out that it is a contingent budget. We did not receive a Cabinet submission from the Leader of the Opposition, although I must report to the Estimates Committee—

Mr BEATTIE: I am happy to give you a Cabinet submission.

Mr BORBIDGE: I am happy to report to the Estimates Committee that when I became Premier I found an excellent submission on my desk that had been lodged by the previous Leader of the Opposition and not acted upon by my predecessor.

Mr BEATTIE: That is a view that I share.

Mr BORBIDGE: We shared it for six years and did not get anywhere.

Mr BEATTIE: We are expecting better of you!

Mr BORBIDGE: Flattery will get you nowhere.

Mr BEATTIE: I have noticed that in the last seven months.

Mr BORBIDGE: In all seriousness, as I indicated to the Leader of the Opposition—

Mr BEATTIE: Don't crack up on me now. It looks like I am getting some money!

Mr HAMILL: He is speechless at your audacity.

Mr BORBIDGE: It is very hard to say "Yes" to the Leader of the Opposition.

Mr BEATTIE: But you are warming to it, I can see.

Mr BORBIDGE: Mr Chairman, I am sympathetic to the plight of the Leader of the Opposition in regard to this matter. I think that it should be placed upon the public record that there have been some substantial improvements made in regard to the office accommodation at Albert Street which replaced the hovel in Margaret Street that we had to use for several years. For the first time, there is recognition of shadow Ministers and other Opposition spokespersons through the provision of an expense of office allowance, which I think is some \$6,000, and which, despite repeated requests to your predecessor, was never given serious consideration by your party in the six years that you were in Government. Having said that, I do not believe that two wrongs make a right. I am currently going through a process within my department in respect of additional entitlements to the Leader of the Opposition above and beyond what is there now. I hope that we will be able to resolve the matter by the end of the year. I can assure the Leader of the Opposition that I do not intend to treat him the way my predecessor treated me.

Ms SPENCE: I have a question with respect to the Bureau of Ethnic Affairs. The budget for the bureau is considerably less than last year. What services will no longer be offered by the Ethnic Affairs Bureau this year?

Mr BORBIDGE: In summary, none. In 1996-97, the programs budget will be \$2.55m. This represents

a small decrease of \$30,000 from the 1995-96 budget and provides: \$1.107m for salaries, wages and related payments; \$753,000 for non-labour operating costs; \$297,000 for corporate service allocation; \$260,000 for current grants and subsidies; \$90,000 of Commonwealth project grants to the bureau; \$90,000 for capital works; \$15,000 for fixed assets; and \$60,000 in retained revenue. The budget reduction reflects ongoing efforts by the bureau to reduce costs whilst maintaining satisfactory levels of service delivery.

We were very anxious to upgrade the status of the Bureau of Ethnic Affairs within Government and that is why it is now part of the Department of the Premier and Cabinet. Rather than being an appendage to another portfolio, it can have on-line central agency status. I am also pleased to advise the Committee that grants to community organisations will increase within this Budget for the Bureau of Ethnic Affairs. There will be enhanced funding. A major element of this increase relates to a special budget provision of \$100,000 for the Ethnic Communities Council of Queensland and related organisations. The balance of the \$216,000 represents additional Commonwealth funding for project grants of approximately \$80,000. This funding of the Ethnic Communities Council of Queensland is a new initiative of the Government and will assist in establishing an executive position in this entity. The budget also provides for the maintenance of the level of cultural grants paid in 1995-96. There have been savings within the portfolio and within the bureau, but we have been able to restructure arrangements as such so that the various community organisations will receive, in many cases, considerably enhanced funding over what they would have received last year.

Ms SPENCE: Mr Premier, how is it that you are able to increase the staff in the Bureau of Ethnic Affairs by two, but actually reduce the budgeted amount for salaries?

Mr BORBIDGE: We are better managers.

Ms SPENCE: Does that mean you are paying people less?

Mr BORBIDGE: It is a similar issue to that which Mr Leighton outlined in regard to another area within the department.

Mr LEIGHTON: Once again, the budget reflects a full year cost for the function, and the staff numbers in those tables reflects the position at the end of each financial year. It could be that there were vacancies last year, but the budget has a full year provision, so minor changes are not reflected in those comparisons.

Mr BEATTIE: Mr Chairman, could I draw it to your attention that the Premier indicated to me earlier that if we had any questions in relation to South Bank, could we ask them at that time. Because of the earlier adjournment and other matters, it slipped my mind. I do not have any time left to ask questions of the South Bank representatives. Unless other members of the Committee have questions, perhaps we could excuse them because they do have another commitment. It is a matter for you, Chairman.

We do not have any time left to ask them questions. We asked them to be here, so if they want to go, from our point of view we are quite relaxed.

The CHAIRMAN: Our scheduled lunch break is now. Because of the delayed start, I intend to run on for a few more minutes. I do not anticipate that Government members have more than four or five minutes of questions and answers, so we will quickly run on with those and then adjourn. Those people and others will be able to leave within a few minutes.

Mr SPRINGBORG: Mr Chairman, I refer the Premier to page 4-40 of the Ministerial Program Statements relating to current grants and subsidies. The figures show that the Government has budgeted for \$350,000 in 1996-97 compared with the 1995-96 budget figure of \$134,000. Could the Premier outline the nature of and reasons for this increase?

Mr BORBIDGE: As I indicated in part to one of the other members of the Committee, the estimate for 1996-97 represents an increase of \$216,000, which reflects the Government's commitment to providing enhanced funding to ethnic community organisations. A major initiative in regard to this is the special budget provision of \$100,000 to the Ethnic Communities Council of Queensland. The balance is additional Commonwealth funding for project grants of \$80,000. The budget also provides for the maintenance of the level of cultural grants paid in 1996-97.

I might just comment on the funding for the Ethnic Communities Council. This will be recurrent for three years. The purpose of this grant is to improve the ability of the organisation to fulfil its function as the key ethnic community body in Queensland. As a result of the grant, the organisation will be able to employ suitable staff to manage its affairs in a manner which will increase the organisation's ability to consult with its constituents and speak with a more representative voice; enable the organisation to channel information from Government to ethnic community organisations, thereby increasing community participation; channel advice to Government about the needs, aspirations and views of ethnic community groups concerning Government policies, programs and services or concerns that the Government needs to hear; and more effectively represent the ethnic community voice in the public debate about multiculturalism, immigration, settlement and other matters concerning the further development of harmonious community relations.

I believe that the Ethnic Communities Council will become more representative as a result of this grant. However, this does not mean that all ethnic community groups will operate through the council. All groups will continue to be able to have a direct relationship to Government through the bureau or appropriate individual line departments concerning particular programs. The bureau, as the Government's lead agency, works closely with all ethnic community organisation but particularly with the ECCQ, as the key community organisation, and through the grant this relationship will be enhanced, as a result of which Government will be able to

provide its programs and services to ethnic communities in a more efficient and effective manner.

Mr GRICE: I have a suspicion that I may have the answer to this question to the Premier. Could you please outline what costs were associated with the Government's suite at the Indy Grand Prix? I refer to page 4-16, in particular "Protocol".

Mr BORBIDGE: As honourable members would be aware, the Gold Coast Indycar Grand Prix was first held in 1991. Since that time, the Government operated a corporate suite until the 1995 event, at which time the hire arrangements relating to the suite—\$90,000 per annum—were changed. The cost of operating the suite since 1991 is as follows: in 1991, suite hire, nil, hospitality, \$42,150; in 1992, suite hire, \$90,000, hospitality, \$8,900; in 1993, suite hire \$90,000, hospitality, \$8,400; in 1994, suite hire, \$90,000, hospitality, \$17,600; in 1995, suite hire, nil, hospitality, \$25,660; and in 1996, nil. The budget allocation of \$25,000 was provided but this was not spent because of my cancellation of the suite.

The costs of hospitality in the figures above are those incurred by the Premier's Department and do not include the following. In 1992, the department shared the total catering costs of the Government's suite with the Gold Coast Motor Events Corporation—50 per cent. In 1993, the department again shared the cost of catering with the Gold Coast Motor Events Corporation—50 per cent. Treasury expenditure related to \$6,700. In 1994, Tourism, Sport and Racing hospitality amounted to \$1,900. Those guests invited to the Queensland Government's suite—I trust they all had a good time—included VIPs and members of Government, major business leaders, Gold Coast business and community groups, ethnic and indigenous community leaders, welfare groups, schoolchildren, school groups and children suffering from cancer. On assuming Government in February 1996, the coalition Government cancelled the suite for the 1996 event. The cancellation effectively saved the Premier's Department \$25,000, the amount set aside in the 1995-96 budget for Indy hospitality.

The CHAIRMAN: I address a final question to the Premier. I refer to page 4-21 and the State Development subprogram, which shows the budget for South Bank rising from \$10.5m last financial year to \$15.5m in 1996-97. Could the Premier or his advisers indicate the reason for this increase?

Mr BORBIDGE: The Budget in 1996-97 supports a Government grant of \$9m for the corporation, and recoverable funding of \$6.55m for the first stage of infrastructure works under the proposed amendments to the South Bank Corporation Approved Development Plan. Grant funding has been reduced by \$1.506m and reflects continuing rationalisation of operational expenditure, improving commercial performance and efficiency by the corporation in its operations and capital works programs, as well as inclusion of an increased operating profit distribution from the Brisbane Convention and Exhibition Centre. The recoverable funding of \$6.55m relates to infrastructure works associated with the proposed redevelopment of the South Bank precinct. This funding is the first stage of a total program of outlays estimated at \$26m, which will be offset by future land sale proceeds in excess of \$50m based on development intensities as per the preferred urban design concept plan of 1995.

The 1996-97 budget for South Bank does not include any income from land sales. The 1996-97 Government grant in combination with the corporation income of \$5.904m and recoverable funding of \$6.55m supports operating outlays of \$13.319m; ongoing capital expenditure, \$2.701m; loan redemption, \$2.206m; and major capital works, \$6.55m, associated with the proposed amendments of the Approved Development Plan. The Government's grants to the corporation in 1996-97 will be offset, in part, by a contribution from the Brisbane City Council of approximately \$2.1m.

The CHAIRMAN: Thank you, Mr Premier. The time allotted for the consideration of the Estimates of expenditure for the Department of the Premier and Cabinet has now expired. I thank the Premier and his officers for their attendance. The hearing is now suspended for lunch.

Sitting suspended from 1.27 to 2.55 p.m.

TREASURY DEPARTMENT**IN ATTENDANCE**

Hon. J. M. Sheldon, Deputy Premier, Treasurer and Minister for The Arts
 Dr D. McTaggart, Under Treasurer
 Mr M. Gray, Deputy Under Treasurer
 Mr G. Poole, Assistant Under Treasurer (OUT)
 Mr G. Andrews, Executive Director, Office of Arts and Cultural Development
 Ms M. Jackson, Executive Director, Office of Women's Affairs
 Dr A. Bartholomai, Director, Queensland Museum
 Mr Tony Gould, Director, Queensland Performing Arts Trust
 Mr D. Hall, Director, Queensland Art Gallery
 Mr D. Stephens, State Librarian, State Library of Queensland
 Mr G. Waite, Director, Finance Directorate
 Mr D. Balwin, Manager, Ministerial and Accounting Services

The CHAIRMAN: The hearings of Estimates Committee A are now resumed. The next item for consideration is the Treasury Department. The time allotted is three hours. For the information of new witnesses this afternoon, I point out that the time limit for questions is one minute and for answers is three minutes. A single chime from our bell keeper on my left will give a 15-second warning, and a double chime will sound at the expiration of these time limits. An extension of time may be given with the consent of the questioner. A double chime will also sound two minutes after that extension has been given. As set out in the Sessional Orders, equal time is to be given to Government and non-Government members.

For the benefit of Hansard, I ask departmental officers to identify themselves before they answer a question. I now declare the proposed expenditure for the Treasury Department open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, is it your wish to make a short introductory statement in relation to the elements within your portfolio, or do you wish to proceed directly to questioning?

Mrs SHELDON: Mr Chairman, I would like to make an introductory statement.

The CHAIRMAN: Thank you, Treasurer.

Mrs SHELDON: I am pleased to be here and to be able to appear before the Committee today. Last week, I presented the coalition's first State Budget, and today I have the opportunity to be able to participate in reviewing the year ahead for my own portfolio. It is also exciting to be part of a new approach to the Estimates Committees as a result of Parliament's review of the process. I look forward to a true Committee process which produces a

balanced and informative outcome for Parliament and for the Queensland public.

This year, the scope of this portfolio has widened. The Estimates for 1996-97 reflect my responsibilities for the Arts and Women's Affairs as well as Treasury. The nature of the Treasury portfolio means that the 1996-97 budget includes a mix of funding, a small percentage to operate and administer the department itself, a much larger percentage to administer and fund whole-of-Government activities, such as superannuation payments, infrastructure development and provision accounts. The budget for 1996-97 therefore reflects the range of portfolio activity, from budget administration, project facilitation, economic advice and modelling, superannuation, gaming, tax collection and motor accident insurance through to research and policy advice on women's affairs and funding for arts administration and development.

As to the variability of these elements of the portfolio budget—growth in the Treasury budget reflects provisions for emerging items: superannuation benefit payment growth, improved investment returns leading to increased investment expenditure and transfers for funding Government infrastructure, all of which can vary significantly from year to year. The direction in which this Government is heading in the Treasury portfolio is to focus on results, that is, what we can achieve with the funds that the Parliament provides. Therefore, the budget is important, but the Committee needs to look beyond the dollars to what those dollars let me, as Treasurer, and my department accomplish. In this context, and given that Treasury's mission is to provide leadership in economic and financial management, Treasury and its semi-autonomous offices face a range of challenges in the year ahead.

The Office of Women's Affairs was established in March 1996 in the Treasury portfolio with the aim of improving the status of all women in Queensland. For 1996-97, the challenges will be to continue to increase the responsiveness of Government policies, programs and services to the needs and concerns of women, and to further develop communication with women in communities throughout Queensland so that the goal of a substantial and sustained improvement in the status of women in key areas of decision making, financial security, lifestyle safety and information technology is achieved.

The Arts Program was transferred to the Treasury portfolio this year. The program seeks to stimulate and develop diverse arts and cultural practices for the benefit of all Queenslanders. The challenges for 1996-97 include the provision of increased opportunities for cultural activity, increasing the economic benefit to the State through strategies promoting Queensland in the tourism market as a dynamic cultural destination, and maintaining the focus of bringing art and cultural activities to all regions throughout the State and to ethnic groups.

Mr Chairman, I thank you for the opportunity to make an opening statement. I and my officers look forward to the Committee's questions and discussions.

The CHAIRMAN: Thank you, Treasurer. The first period of questions will commence with non-Government members.

Mr HAMILL: At the outset, the Committee requested a number of officers to be present at the hearing this afternoon. Are all of those persons requested to be present able to be present?

Mrs SHELDON: To my knowledge, yes.

Mr HAMILL: I thank you for that.

Mr BEATTIE: So do I; thank you.

Mr HAMILL: I thank you for the courtesy. We had an issue with respect to the Premier in relation to that earlier on today, so I do thank you for your endeavours. I refer you to page 8 of the Ministerial Program Statements, where it is revealed that if one allows for the \$2.1m which was expended by the Government last year in termination payments arising out of the election and the change of Government, payments for salaries, wages, etc., will rise by 11 per cent this year—this is in relation to ministerial offices—and there will be an 11.2 per cent increase in non-labour operating costs. I ask: what is the basis of such an increase?

Mrs SHELDON: This was relating to ministerial offices?

Mr HAMILL: That is right, and the costs of staffing of them.

Mrs SHELDON: Did you want numbers, details or the general situation? As you would know, Treasury, via the Ministerial Services Branch, manages the expenditure of the ministerial offices. While we have the in globo management of that, I think specific questions should be related to each Minister. However, just pertaining to my own office—

Mr HAMILL: No, I am actually asking for the in globo statement, because it is actually there in Program Outlays—Ministerial Offices on page 8 of your Program Statements.

Mrs SHELDON: The staffing resources for 1995-96 for the previous Government—this is in numbers of staff—were expected to remain at 192. The current Government anticipates staffing levels at 195, inclusive of staffing for Parliamentary Secretaries. Under the existing guidelines, regional Ministers are entitled to a research officer each, and therefore the increase in regional Ministers—that is, 16 now and eight under Labor—could have led to a larger increase in staff. However, the Government has kept to approximately the same levels as the previous Labor Government, and we have also provided staffing for Parliamentary Secretaries.

Mr HAMILL: So you are saying that the increased staffing entitlement based on the geographic distribution has been critical there. I would like to ask a question of Mr David Balwin, who is one of the people who was asked to be present this afternoon. Mr Balwin, you handle the Ministerial Services Branch or at least conduct the affairs of dealing with expenditure items from ministerial offices?

Mr BALWIN: That is correct.

Mr HAMILL: In Parliament last week, the Premier indicated that there had been some minor modifications to the guidelines governing expenditure by ministerial offices—modification from those which had been applied under the former Government. I ask: in what respects have those guidelines been modified, and has it meant that certain expenditures previously not allowed are now allowed to be charged to ministerial offices?

Mr BALWIN: The actual guidelines themselves have not been changed since the change of Government. There have been some minor adjustments to policies which support the guidelines themselves.

Mr BEATTIE: Perhaps you could explain what they are.

Mr BALWIN: There was one in relation to one Minister who has now been given a four-wheel-drive vehicle for his electorate. Previously, electoral cars were limited to a particular type. That is consistent with what he is entitled to under the parliamentary electoral boundaries. It is the electorate of Gregory.

Mr BEATTIE: Can you think of any other policy changes that you referred to?

Mr BALWIN: Not of significance. I can't say that there have not been minor adjustments, but of a significant nature, no.

Mr HAMILL: Treasurer, I refer to some answers that you provided the Committee in relation to questions that had been placed on notice, particularly the question where you indicated that your driver is home based in Caloundra. I was just wondering: does your driver return to the Sunshine Coast each evening, even when you are staying in Brisbane?

Mrs SHELDON: No, indeed she does not, because quite often her duties with me mean that we may finish at 11.30 or 12 o'clock at night. She has to pick me up again at 7 o'clock in the morning. I think it would hardly be fair on any employee to ask them to do an hour and a half trip to Caloundra at night on their own and an hour and a half trip back in the morning. On those days—and there are a number of them at the moment—my driver stays in Brisbane.

Mr HAMILL: Does your driver stay in Brisbane at Government expense?

Mrs SHELDON: She stays here as part of the allocation that comes under the guidelines for her to be my driver.

Mr HAMILL: Sorry, I just want to clarify that. You say "the guidelines to be your driver". Do those guidelines involve having accommodation paid for drivers in Brisbane?

Mrs SHELDON: The situation regarding my driver is that, evidently, no Minister before has had a driver who has not resided in Brisbane.

Mr HAMILL: A point to correct: my driver was always resident in Ipswich, actually.

Mrs SHELDON: I do not think Ipswich is quite as far as Caloundra, but I am just answering you on the advice I have been given.

Mr HAMILL: It is a faster road to Caloundra.

Mrs SHELDON: I beg your pardon?

Mr HAMILL: It is a faster road, often, to Caloundra.

Mrs SHELDON: If you are suggesting my driver should drive home, get home at one o'clock in the morning and leave home again at half past five in order to be down here at 7 o'clock, I think that would be unreasonable of any employee, and I am amazed that a former Labor Minister would suggest it.

Mr HAMILL: I am not suggesting that. What I am asking, though—and I would like these details provided—is at what cost to the Government has accommodation been provided to your driver in Brisbane in the last financial year, and what part of the budget for your office do you anticipate being used to provide accommodation—I understand hotel accommodation—for your driver in Brisbane this financial year?

Mrs SHELDON: Firstly, hotel accommodation has only very recently been provided, because my driver was sharing a flat with people and, accordingly, any allocation that was given to her went into that. The rulings that MSB have—and you might like to speak to the MSB officer—do not seem to really cater for a driver who lives outside of Brisbane but who is spending a fair bit of time in Brisbane and who, because of, as I have said, her duties with me, has to stay down here on a number of occasions. It has been listed in the question on notice to you exactly what is paid to my driver.

Mr BEATTIE: Question number 11, you are referring to.

Mrs SHELDON: That is correct.

Mr HAMILL: Could I just clarify something? I am not suggesting that any moneys have been paid to your driver. What I am asking is: what moneys have been paid to hotels to provide accommodation for your driver for the last financial year, and what part of your ministerial office budget is devoted to that purpose for this financial year?

Mrs SHELDON: We can take that on notice.

Mr HAMILL: I am happy for you to do so.

Mrs SHELDON: Fine. I can tell you, however, that until very recently there would not have been any hotel accommodation, because she stayed in a unit with some other people.

Mr HAMILL: Mr Balwin, are there any other ministerial staff who similarly are accommodated at Government expense in hotel accommodation in Brisbane?

Mr BALWIN: Yes, there is one other officer that I am aware of.

Mr HAMILL: I will place that question on notice as well—details of the cost of that accommodation being provided, the ministerial office concerned and what sum is to be expected in that ministerial budget for this year to provide such accommodation expenses.

Treasurer, I have another question in relation to this matter of ministerial expenses. This morning, I raised some concerns regarding the Speaker's choice of staff with respect to his driver and the

probity of that gentleman. I want to raise my concern about the standards which have been the hallmark of an adviser to the Minister for Primary Industries, a Mr Chris Nicholls, who I understand last year resigned from employment with Senator Grant Chapman, the Liberal senator from South Australia, over a false claim for overtime. I ask: have any special arrangements been put in place to ensure that any claims by this officer are properly checked and that the signature that they bear is his signature? Could you please—and I will place this on notice—provide details of any phone expenses, accommodation expenses and restaurant expenses and details with whom he dined?

Mrs SHELDON: I think the appropriate Minister to ask that of is the Minister for Primary Industries.

Mr HAMILL: With respect, Treasurer, you have a responsibility through the agency of the Ministerial Services Branch. It is your budget. You have a responsibility across the whole of Government to ensure that ministerial officers are properly charging expenditure, and I suggest that this is a responsibility you need to take seriously.

Mrs SHELDON: I suggest also to you, Mr Hamill, that the details of those ministerial staff costs are the responsibility of the Minister. We have the in globo running of that, and it is quite detailed and listed in the Budget, but those details are the responsibility of that Minister. I suggest that the question is asked of him when he comes before this Committee.

Mr HAMILL: Mr Balwin, does your section, MSB, have details of those expenses that may have been claimed by the officer concerned in the ministerial office of Mr Perrett—any claims that that gentleman, Mr Chris Nicholls, may have made?

Mr BALWIN: If there were claims submitted to us, yes, we would have—

Mr HAMILL: I place a question on notice to provide the details of any claims by Mr Nicholls to the MSB, which is part of the Treasury Department.

Mrs SHELDON: But I would like to clarify something here, Mr Hamill, that is, that the Minister responsible has the responsibility to sign off on any claims that are made by his ministerial staff. It is not the responsibility of the Treasurer or MSB; that is the responsibility of the Minister.

Mr HAMILL: I ask the Treasurer: in relation to the additional costs which will now be incurred as a result of increasing staffing for Parliamentary Secretaries, respectively \$168,000 for the Premier's and \$138,000 for the Deputy Premier's and—

Mrs SHELDON: Could you tell me what page you are referring to?

Mr HAMILL: Page 10 of your Ministerial Program Statements, where you are increasing the staffing numbers from one to six in respect of Parliamentary Secretaries. The expenses will be a total of \$489,000 this year. What expenses are included in these expenditures? Does it include the salary of the Parliamentary Secretaries? What other entitlements over and above that of a backbench

member of Parliament do Parliamentary Secretaries enjoy?

Mrs SHELDON: It does include the salaries, wages and any related payments and administrative costs. That is what is in that figure there. All other details regarding Parliamentary Secretaries are what has been brought before the House—the Legislative Assembly.

Mr HAMILL: In relation to those details of additional costs which have been incurred with the staffing of ministerial offices and so on—and I do not want to unduly take up the time of the Committee—I would place a question on notice seeking details of the outlays for salaries, wages and related payments and non-labour operating costs for ministerial and Parliamentary Secretary staff for last year and this year.

Mrs SHELDON: I think that is all listed on page 10. I do not see why you need to put that on notice. You have really had an opportunity, Mr Hamill, to put them on notice beforehand.

Mr HAMILL: We are also able to put questions on notice today.

Mrs SHELDON: I thought that was if I so determined they would go on notice. Mr Chairman?

The CHAIRMAN: We can put questions on notice if the details are not available today.

Mrs SHELDON: I think the details are available that he asked for. I gave them to him. I mean there is no problem; if you want to put it on notice, do it.

Mr HAMILL: The question that I want to ask on notice is: at what levels are the various staff employed? That information is not available in the Program Statements. What are the total outlays for salaries, wages and related payments and non-labour operating costs for ministerial and Parliamentary Secretary staff. I place the question on notice.

Mrs SHELDON: There is no problem with that, I think it is just a pity you did not put it on notice—

Mr HAMILL: Treasurer, I refer you to page 16 of your Program Statements of the massive increase in program outlays—

Mrs SHELDON: Mr Chairman.

The CHAIRMAN: Mr Hamill, the Treasurer wanted to say something.

Mrs SHELDON: I would prefer, Mr Hamill, that you gave me the courtesy of waiting till I finished speaking before you started to speak again.

Mr HAMILL: Are you finished?

Mrs SHELDON: Yes, I am.

Mr HAMILL: Good. Page 16 of the Treasury Program Statements refers to the massive increase in program outlays in the Fiscal and Financial Management Program, in particular \$155m in the Treasurer's Advance for 1996-97. This morning, we had the Premier explaining that the advance now being provided to the Co-ordinator-General was an economy sized slush fund, I think it was described as. I ask then in relation to the Rolls Royce version which the Treasurer squirreled away—it is a quarter of a billion dollars, while at the same time you are

cutting programs in housing and vocational training—for what purpose is such a massive amount being held back from general budgetary outlays?

Mrs SHELDON: First of all, it has not been squirreled away, it is quite clearly there, and I will go through the various things that go into the Treasurer's Advance Account. The main reason for the increase is an amount that has been put aside for enterprise bargaining 3. Before, the enterprise bargaining allocations were part of the departmental budget, now they are within the Treasurer's Advance Account because we do not know what that figure is going to be, and that is a very large portion of it. The other reason that they have been set aside is for issues such as outstanding legal liability claims, implementation of national competition policy, funding for replacement of specialised heavy vehicles, major project facilitation costs, provision for cash equivalent of long service leave, and as I mentioned to you, enterprise bargaining as well, and of course we have provision for things like drought.

Mr HAMILL: Why is it then that there is such a massive increase? I think last year the figure was \$104m in the Treasurer's Advance, this year we are looking at \$259m. In the context of provision for enterprise bargaining, how much money are you setting aside for that in a notional sense and will the same courtesy be extended in grants to community sector organisations which are faced with increased award payments that are really affecting the capacity of many community organisations to continue to provide services?

Mrs SHELDON: First of all, it is our responsibility to make sure that our departments can do this. Secondly, as I said to you, provision has been set aside for the cost of the provision also for six weeks' paid maternity leave and for a number of enterprise bargaining situations that were not factored into departmental allocations. Now, I cannot be specific on the figure because we do not yet know how much is going to be required, but we do know it is going to be a considerable amount and that is why that amount was put in the Treasurer's Advance Account.

Mr BEATTIE: How did you determine the \$155m extra if you were not certain of how much it was going to cost?

Mrs SHELDON: First of all, I think Treasury officers have made an estimate and, secondly, I think it would pre-empt any decisions that came out of enterprise bargaining 3 to be allocating or determining the exact amount that has been put into the Treasurer's Advance Account for that purpose.

Mr BEATTIE: Could we have the Treasury estimate then? Could that be provided? We are happy to put that on notice.

Mrs SHELDON: No, I do not think you can have that estimate. My understanding is that that is part of the discussions that will result from EB 3 and it would be very wrong at this stage, even before some of those discussions have begun, to be, you might say, flagging exactly what has been set aside. There is nothing devious in this, I can assure you. My understanding is that it is a considerable figure

that has been put into the Treasurer's Advance Account.

Mr HAMILL: Do you still anticipate about a 4 per cent outcome in terms of movement in wages and salaries?

Mrs SHELDON: I think that is up to negotiations, do you not?

Mr HAMILL: I was asking you.

Mrs SHELDON: Well, I am telling you.

Mr HAMILL: I will move on. I refer you to Budget Paper No. 2 and also to page 7 of your Annual Statement for 1995-96 where it was revealed that carryovers in expenditure from 1995-96 to 1996-97 totalled \$461.72m. How much of that figure was on account of current outlays and how much of the figure represented capital outlays being carried over?

Mrs SHELDON: If you will just wait a moment, we will get that.

Mr GRAY: Mr Hamill, I have that information here. There are a variety of categories of carryover, but essentially \$178.556m out of the total of \$461.719m is capital carryovers.

Mr HAMILL: When you say that there is a variety of types, are you talking about a variety of types of capital carryovers or a variety of types of current carryovers?

Mr GRAY: There is a variety of classifications of carryovers in total. They include base carryovers, which is base funding of agencies; it includes a variety then of Commonwealth carryovers, excluding capital, special carryovers, which are obviously separate from the base expenditure of departments, and there are also non-cheque carryovers which are not included in the \$461m.

Mr HAMILL: Treasurer, following that answer of \$178.556m in capital carryovers and also the information that is contained in Appendix 1 in your statement, that is pages 10 to 14, where we have figures like the Education Department—

Mrs SHELDON: Excuse me, what statements?

Mr HAMILL: This is in your Annual Statement which you tabled in the Parliament very recently.

Mr BEATTIE: The white covered one.

Mrs SHELDON: That is all right. I thought we were dealing mainly with the Ministerial Program Statements.

Mr HAMILL: We are dealing with that, because these carryovers of course become outlays for 1996-97. That is the notion of a carryover.

Mrs SHELDON: Thank you, I am aware of that.

Mr HAMILL: Good. Therefore, given that the Education Department carryover is \$91m, the Environment Department carryover is \$13.2m, the Department of Families, Youth and Community Care carryover is \$36.6m, the Department of Health carryover is \$67.6m, the Department of Local Government and Planning carryover is \$58.4m, Main Roads carryover is \$26.8m, Works and Housing carryover is \$26.2m, and the Training and Industrial Relations carryover is \$42.5, which includes \$39.7m

from TAFE, how does the Treasurer reconcile those massive carryovers with the result of this managing your Capital Works Program with your commitment to the Conservative Club lunch in March this year that a coalition Government will make sure that the entire capital works budget each year will in fact be spent?

Mrs SHELDON: That certainly is our aim, unlike your Government when you were in Government—

Mr HAMILL: But you missed by almost \$200m.

Mrs SHELDON:—excuse me, that had considerable carryovers that were never expended year after year but were announced year after year. The carryovers, as you would well know, are in every budget and, indeed, I think that the carryovers for the previous year are not very different at all to the carryover number that was actually there. If you want to know further details of that, I will ask either the Under Treasurer or Deputy Under Treasurer to tell you.

Mr HAMILL: I would like to ask a further question of you. Do you regard \$178.5m in capital carryovers as being acceptable at a time of high unemployment and a low rate of economic growth in the State?

Mrs SHELDON: It was very similar to the carryover of previous years. Those two factors resided when, indeed, you were the Government as well.

Mr HAMILL: I just recall that you were very critical of carryovers in the past. But you are saying now that it is okay for you; is that correct?

Mrs SHELDON: With all due respect, you do not know whether or not all our carryovers are going to be spent.

Mr HAMILL: With respect, I do know what the carryovers are, because Mr Gray has been kind enough to inform us here this afternoon.

Mrs SHELDON: We had four months of Government. Let's wait and see what happens within the 12 months.

Mr HAMILL: I just make the point that you promised certain things in March, but in June you did not deliver them. I see that there is \$178.556m in capital carryovers. I just wonder whether you think that was good enough.

Mrs SHELDON: In point of fact, most of those carryovers were out of your previous Budget. I really fail to see quite the point. We were not a Government for a full 12 months. Most of the carryovers were from you people when you were in there.

Mr HAMILL: I think you were the Treasurer for most of the period this year, anyhow.

In relation to page 14 of your Ministerial Program Statements—I see that the tax equivalent regime is going to be applied to 79 Government owned corporations and their subsidiaries and three business units. Further, I draw your attention to Budget Paper No. 2, wherein you will massively increase the level of tax payments from these bodies

by 41 per cent this year, increasing tax payments to Government from \$115m to \$162m this year. I would like some information. Out of courtesy to you, Treasurer, I think I need to put this on notice. I would like details of the various before-tax profit and dividends paid by each of those units in 1995-96, and also what you expect from them in 1996-97. However, I would ask: is it proposed that your tax equivalent regime will extend to all Commonwealth, State and local government taxes? Is the massive increase in collections the result of a greater number of participating organisations' greater profitability among public sector trading enterprises, or are you applying a wider range of taxes to these institutions?

Mrs SHELDON: Firstly, I think the explanation for the considerable increase was that QR had not paid a dividend before, and it paid something like \$200m. There was also an increase from AUSTA and the QTSC. So that was the bulk of that bigger input this year. As you would well know, there are 79 organisations liable to pay tax equivalents. I would like to take further advice on your question on notice, as to whether that is a fair question on notice and whether that information—

Mr BEATTIE: The question has already been put on notice.

Mrs SHELDON: If I could just refer you to section 21, which set up the Committee, it states—

"Questions on notice and additional information. A Minister, Mr Speaker or a public official may tell an Estimates committee that an answer to a question or part of a question asked of the Minister, Mr Speaker or public official will be provided later to that committee."

It is our choice whether your question goes on notice or whether it does not. You had your time to put your questions on notice to us, and all have been answered.

Mr BEATTIE: So you are not prepared to answer the question?

Mr HAMILL: I am happy for you to provide the details of each of those 79 organisations and three business units this afternoon, if you wish. But I thought that, out of courtesy to other members of the Committee and to your officers, it would be easier for you to have that furnished to us on notice.

Mrs SHELDON: I would have thought that, out of courtesy to this Committee, you could have put that question on notice when you had the time to do so.

Mr HAMILL: We put 10 to you. That is as many as we could put.

Mrs SHELDON: It is also a question on revenue, and I do not think it is applicable to what we are here to examine today.

Mr HAMILL: Without that flow of funds, and given that the Parliament has resolved that matters to do with the efficient use of funds from Government owned corporations are properly matters for the Estimates Committee, I suggest to you that decisions that are taken regarding the funds which are generated by GOCs—whether they can go into

reinvestment in those GOCs or whether they are taken by you as Treasurer—are very relevant to whether those funds are being expended efficiently. Therefore, I suggest that they are quite competently within the ambit of the inquiry of this Committee.

The CHAIRMAN: I think if we determine that the Treasurer might take that question on notice—

Mrs SHELDON: No, Mr Chairman, I do not consider that we should have to be directed by the other members as to what questions will and will not be taken on notice. That is a question that we do not wish to take on notice.

Mr BEATTIE: This is an extraordinary attitude on the Treasurer's part. You are aware that the guidelines that you established allow us to ask 10 questions per Minister. We do not get an unlimited number of questions on notice. Had we had an unlimited number of questions on notice, this question most certainly would have been put on notice. We get 10. We do not get any more.

Mrs SHELDON: You might have been able to make a wiser choice and put this one in.

Mr BEATTIE: That is a matter for us, of course. But trying to put them on notice today is a mechanism available to us. You have indicated in the House that this is an opportunity for us to ask questions. I would have thought that you would be only too willing to cooperate.

Mrs SHELDON: If you like, I will read them out now. As I said, there are 79 organisations liable to take tax equivalents. They are the Port of Brisbane Corporation, the Gladstone Port Authority, the Queensland Investment Corporation, the Wide Bay Burnett Electricity Corporation, the Capricornia Electricity Corporation—

Mr HAMILL: I take a point of order. The question that I asked was the before-tax profit and the dividends and tax equivalents being paid. The Treasurer does not seem to be answering that question. She is just giving us a list of Government owned corporations.

Mr BEATTIE: Why do we not just put it on notice? Then you can answer it as you think appropriate. For heaven's sake, it is a waste of time.

Mrs SHELDON: This is not public information.

Mr HAMILL: It ought to be public information.

Mrs SHELDON: It is not. I believe that it is commercial information regarding the corporation. I do not think that I will accept that question on notice. However, I am quite happy to read out all this page, if you so wish.

Mr HAMILL: With all the information that I have requested?

Mrs SHELDON: Some of it is there, yes.

Mr BEATTIE: Is this a reading test, or provision of information?

Mrs SHELDON: It is really a test of how much time you have, Mr Beattie.

Mr BEATTIE: We are very patient.

Mrs SHELDON: I am very patient, too.

The CHAIRMAN: Could I suggest that we perhaps put the question on notice? I take the point that some of the information may be commercially sensitive and that, in providing an answer to that question on notice, the Treasurer would obviously take that into account.

Mr BEATTIE: Yes. That is a fair way to do it. You can take out what you want and provide what you can. We do not want to destroy their commercial viability.

The CHAIRMAN: I will ask Mr Hamill if he could provide that question in writing.

Mr HAMILL: I have, and I would be delighted if the Treasurer would comply with your very sensible suggestion, Mr Chairman.

Mrs SHELDON: Yes, I am happy to comply with that. But if I could just make a point—I think this is the third or fourth attempt by Mr Hamill to put a question on notice since we began this afternoon. I would ask that questions be asked generally of this Committee which can be answered here today. We are not averse to putting some questions on notice, but that should be our choice.

Mr HAMILL: I would be happy if the Treasurer were to table the answers here today, if she so desires. I just want to see the Government transact its business sensibly.

Mrs SHELDON: That is a little difficult when there are 30-part questions.

Mr HAMILL: I will ask a question in relation to compliance matters in the Office of State Revenue.

Mrs SHELDON: Could you tell me what page that is, please?

Mr HAMILL: I will get around to that in just a moment.

Mrs SHELDON: No, I would prefer the page number first so that I can read it, if you do not mind.

Mr HAMILL: With respect to the Office of State Revenue—it is stated in your Program Statements that it has responsibility for the collection of stamp duty, payroll tax, land tax, bank accounts debits tax, racing and betting taxes, as well as other taxes such as the tobacco licensing fee. That is at page 19. I want to refer to the confusion which surrounds the collection of the two new taxes that you have raised in the Budget, that is, the taxes on tyres and oil. What exemptions will apply to these new levies? At what point of production—wholesaling or retailing—will these new taxes be applied? Did the Office of State Revenue advise you with respect to compliance issues in relation to these new taxes?

Mrs SHELDON: As you would be well aware, Mr Hamill, if you have referred us to the Program Statements on page 19, those issues are not on that page. I suggest that question should be relayed to the Minister for Environment by the appropriate Committee.

Mr HAMILL: Not at all. In fact, I refer you again to page 19 where, under "General Public Services" and "Taxation" it states—

"To collect all tax payable under legislation administered by the Office of State Revenue."

It talks about the collection of the range of taxes and fees under the description of the taxation program. What I asked is whether your Office of State Revenue has tendered you advice in relation to compliance matters with respect to the two new taxes—the new fees: one on tyres and one on oil?

Mrs SHELDON: The fact of the matter is that they are user charges. That is something that I suggest you refer to the Minister for Environment.

Mr HAMILL: Given that you will not answer that question—

Mrs SHELDON: Because it is inappropriate to ask it.

Mr HAMILL: Can I ask whether you have been conducting discussions with a variety of community organisations concerning the introduction or otherwise of those new "user charges" as you call them and "taxes" as I would call them? In terms of ministerial budgets, what will be the cost to ministerial offices for those new levies, with respect to the State Government vehicle fleet?

Mrs SHELDON: The fact of the matter is that you also called them "user charges" when you were in Government, Mr Hamill. You have a short memory. I think that if you wish to ask questions about the general Q-Fleet situation, you should ask the Minister for Administrative Services.

Mr BEATTIE: So you are not prepared to answer any questions in relation to those new taxes that you introduced in the Budget?

Mrs SHELDON: I am quite happy to answer any questions relating to those taxes on that page: stamp duties, payroll tax, lands tax, debit tax, tobacco licence fees, racing and betting fees.

Mr HAMILL: If you go back to the program with respect to ministerial offices, can I ask—

Mrs SHELDON: Page, excuse me?

Mr HAMILL: Certainly. Program Outlays on page 5. Can I ask whether your new taxes will impact on ministerial office budgets? What contribution will they be making for those two new taxes out of ministerial budgets?

Mrs SHELDON: It has nothing to do with ministerial offices.

Mr HAMILL: It will not cost Ministers any more in terms of their vehicles?

Mrs SHELDON: The wholesale sales tax may, but that will—

Mr HAMILL: What wholesale sales tax are you putting in place?

Mrs SHELDON: The tax that the Federal Government has put on.

Mr HAMILL: No—your taxes in relation to tyres and oil.

Mrs SHELDON: That would be a question that, indeed, the Office for Administrative Services should answer, because Q-Fleet—where we get our cars from—is run by the Office of Administrative

Services. Mr Hamill, you are wasting the time of this Committee with these questions.

Mr HAMILL: The ministerial budgets that you provide for under the Ministerial Offices Program do not include the costs of running vehicles; is that what you are telling this Committee?

Mrs SHELDON: It would be the same allocation. If ministerial cars come under here, it would be \$15 a car for every time you have a new car with new tyres.

Mr HAMILL: And for oil?

Mrs SHELDON: Really, I am not totally up on how much oil a car uses; you may be. Whatever the equivalent application is.

Mr BEATTIE: The black stuff.

Mrs SHELDON: I do know that it is the black stuff. I have heard that you put water in the wrong spot in a car.

Mr BEATTIE: I have another question before we switch to Government questions, because I do not want to lose sight of the fact that they are finally answering some questions about taxes. I refer to the tobacco licence fee, which is on page 19, under the heading "Description of services provided", at the first dot point. Has any estimate been made of how much revenue the State lost as a result of the leak of the increase in tobacco licence fees on the Friday prior to the Budget being brought down on the Tuesday?

Mrs SHELDON: I do not think we have any detailed figures on that, Mr Beattie.

Mr BEATTIE: But you accept that there would have been some loss of revenue?

Mrs SHELDON: There may have been during whatever that period of time was if people rushed out madly and stockpiled, but most people do not have that sort of money in their purse, do they?

Mr HAMILL: \$45m among friends.

Mr BEATTIE: Yes. So, after Tuesday night, a lot of people would have been paying an extra amount of money for cigarettes because some people had decided to race out and buy extra amounts, but that does not concern you?

Mrs SHELDON: Surely that is a personal question for them. I don't see how I am possibly supposed to know the answer to that.

Mr BEATTIE: So you do not feel any responsibility for a leak about a sensitive Budget matter like that?

Mrs SHELDON: Why should I? It was not my leak.

Mr BEATTIE: So you are blaming the department.

The CHAIRMAN: I refer to the Ministerial Program Statements page 11. I ask: what are the numbers of staff assigned to each Minister's office? How do those numbers differ from those assigned to offices of Ministers in the former Labor Government?

Mrs SHELDON: Thank you for your question, Mr Chairman. The staffing levels for 1995-96 for the

previous Government, as I said, were expected to remain at 192. The current Government anticipates staffing levels at 195, and, as I said, that is inclusive of Parliamentary Secretaries. We have never had Parliamentary Secretaries before. We have a range or a large number—more than the previous Government did—of regional Ministers. They are entitled to a research officer each, as indeed would have been those of the previous Government. The increase in regional Ministers is 16 now; it was eight under a Labor Government. That could have led to a larger staff increase, but generally there has not been a great increase of staff at all. The Government has kept approximately the same levels as the former Labor Government, while providing staff for the Parliamentary Secretaries. Altogether, that is very frugal, I think.

Mr GRICE: Referring to Ministerial Program Statements pages 19 and 20, although you and I do not share a similar closeness to that between you and Mr Hamill, could you tell me the cost of revenue collection and compliance to date and how those have changed in the past few years?

Mrs SHELDON: I will deal with compliance first, Mr Grice. The 1995-96 cost of compliance is 4.8c for every dollar raised, in comparison with 5.5c in 1994-95 and 9.3c in 1993-94. The cost of compliance is anticipated to rise in 1996-97, principally as a result of the completion of a number of major investigations. As to the cost of revenue collection—increased revenue, enhanced efficiency and improved productivity have resulted in collection costs continuing to fall over the preceding four years to 0.82 per cent of total revenue. This is likely to fall further—estimated 0.69 in 1996-97—as taxation revenue from debits tax and tobacco licence fees increase.

Mr SPRINGBORG: One Treasury initiative discussed on page 30 and 31 of the Program Statements is the introduction of a Statewide keno game. What progress will be made on that initiative in 1996 and 1997?

Mrs SHELDON: Keno is currently restricted to casinos by Jupiters Broadbeach and the Sheraton Breakwater casinos agreements. We will be introducing the Keno Bill into the House very shortly—as a matter of fact, the next sitting. That will allow the expansion of keno to hotels, clubs and TAB agencies. Because of the existing casinos agreement, Keno must be expanded through Jupiters. That was an agreement entered into by the previous Government. Lead times for the establishment of the game mean it will not commence until the first quarter—we think possibly about March in 1997. Obviously, revenues from keno have not been put into the current Budget because they will be quite minimal by the time that gets going.

The CHAIRMAN: I refer to the matter of superannuation. I refer to Treasury's supervision of the Government Superannuation Office, which is discussed on MPS page 35. This is a three-part question. What superannuation funds are administered by the office? Is each of the funds in a sound actuarial position? Does the Government's

Superannuation Office intend to adjust or amend those funds in the coming year?

Mrs SHELDON: There are a number of schemes. There is the State Public Sector Superannuation Scheme, which is Q Super; the State Service Superannuation Scheme, which is State Super; the Government Officers Superannuation Scheme, which is Gosuper; the Police Superannuation Scheme, the Parliamentary Contributory Superannuation Scheme and the Queensland Fire Services Superannuation Plan. All of those schemes are defined benefit schemes with the exception of Gosuper, which is an accumulation type of scheme.

I can briefly summarise the schemes: Q Super or State Super was opened to the majority of public servants on 1 January 1991. That has replaced the State Super as the major contributory scheme for Queensland public sector employees. Q Super is a defined benefit scheme, and that provides lump sum benefits upon retirement. The now closed State Super is also a defined benefit scheme; however, that is predominantly a pension-based scheme. Gosuper was established on 1 July 1988 and its membership is compulsory for all Queensland Government employees, excluding those members of Q Super. Its original intent was to accept the 3 per cent award contributions that became compulsory in 1988. It has since been modified to also satisfy the requirements of the Commonwealth superannuation guarantee charge, the rate of which is currently 6 per cent of salary.

The Police Superannuation Scheme was established to cater for members of the Queensland police force. Its membership has since declined substantially as the majority of police officers were provided with a provision to transfer to Q Super in 1992. The Parliamentary Contributory Superannuation Scheme provides benefits to members of the Legislative Assembly and their dependants. The Fire Services Superannuation Scheme was established to cater for the officers of the Queensland Fire Service. Following a review of the conditions and coverage of the Fire Service's plan, members were given the opportunity to transfer to Q Super. So from 1 May 1996, the Fire plan was closed to new members and new Fire employees will become compulsory members of Q Super.

You asked a question about soundness. All schemes have an actuarially sound funding position. It is likely that a review of the superannuation schemes within the Queensland public sector will occur over the coming months due to continuing changes that the Commonwealth legislation has provided and initiatives of the Federal Government.

Mr GRICE: Treasurer, I refer to page 42 of the Ministerial Program Statements. As you have the responsibility for monitoring the viability of compulsory third-party insurance in Queensland, as the matter is raised on page 42, could you please outline why increased CTP premiums were necessary and what would have happened if no increase had been made?

Mrs SHELDON: Thank you, Mr Grice. Premiums, as you know, rose from 1 July 1996 by 39

per cent. That was the first change in six years. This will increase the premium pool by about \$114m. The increase in premiums was necessitated by claims experienced. The claims continue to be monitored with more favourable trends currently noted. An independent actuarial analysis is undertaken on an annual basis. This review has now commenced.

As you would know, the Motor Accident Insurance Commission is the regulating authority for the CTP schemes. It continues to monitor the movement in claims. I think that about covers the issue of why it was necessary for us to increase that on purely and totally independent advice which, I add, the previous Government would not act upon.

Mr SPRINGBORG: According to pages 42 and 44 of the Program Statements, recently Treasury staff were the subject of an enterprise bargaining agreement. Can you advise the Committee on progress in implementing that agreement and whether it has led to savings for the taxpayer?

Mrs SHELDON: Thank you, Mr Springborg. The Treasury enterprise bargaining agreement, which was certified by the Queensland Industrial Relations Commission on 5 May 1995, is currently being implemented. The agreement was negotiated by an agency single bargaining unit. That was senior management and union representatives. Staff were consulted and a staff survey indicates their satisfaction with the agreement, which was certified by the Industrial Relations Commission without reservations.

The agreement targeted savings of \$1.87m for the Consolidated Fund of Treasury, and this more than funds the 4 per cent third-stage pay rise, which was put in place in May 1995, and which is estimated to cost \$1.59m. The full amount of these savings has been taken from the divisional SAO budgets in 1996-97 as per the Treasury agreement and the savings, therefore, are real.

More cashable items in the agreement are in the reduction, or reducing the number of inspectors employed by OGR at the casinos, and that is \$0.61m; a redesign in work in key areas of OSR with appropriate staff adjustments, and that is \$0.29m; reducing absenteeism in OSR and Government Super, and that is \$0.28m; and reducing core Treasury full-time equivalent staff by 1 per cent due to benefits from the non-cashable productivity estimates. The agreement also includes a range of smaller initiatives in four main categories—teamwork and communication; continuous improvement in best practice; retraining, developing and optimally utilising quality staff; and improving use of technology. As well as the cashable savings above, the range of initiatives have been aimed at enhancing productivity, which we regard as very important, without direct budget impact. They have been included and are conservatively valued at \$0.6m.

So the targeted savings have been achieved, the implementation of initiatives is substantially complete and final reports on initiatives implementation will be complete in October of this year.

The CHAIRMAN: Thank you, Treasurer. I am looking at page 44 of the Program Statements in

regard to overseas travel. Can you compare forecast expenditure on overseas travel for Treasury staff in 1996-97 to actual expenditure on overseas travel in 1995-96? In doing this, can you also comment on whether expenditure in overseas travel will increase or decrease during the year and why?

Mrs SHELDON: Our estimates are that they will decrease. The actual in 1995-96 was \$144,300; the estimate for 1996-97 is \$76,500. That is overseas travel, and I think that was the question you asked.

Overseas travel undertaken by departmental officers in 1995-96 was for a range of purposes. I will quote you a few: to increase awareness of Queensland among financial institutions in Asia, which I am sure everyone would totally agree with; to attend international gaming conferences; they also undertook a study tour of insurance and rehabilitation schemes relative to the motor accident insurance industry; and also to investigate alternative methods for the provision of investment choices for superannuation clients. They examined the corporatisation reforms in countries and attended a conference and visited sites in relation to the implementation of the new generation Queensland Government Financial Management System, or SAP R 3. The reduction in the overseas travel estimate for 1996-97 reflects the one-off nature of several trips which did occur in 1995-96.

Mr GRICE: Treasurer, you have confirmed that the State will introduce full accrual accounting in the 1998-99 Budget. That is discussed on pages 41 and 42. What progress will be made towards that goal in 1996-97?

Mrs SHELDON: I thank you for the question, Mr Grice. The objects of this project, of course, are to develop policies, procedures, systems and processes to implement accrual accounting and accrual internal and external reporting. Our aim is to comply with the Australian Accounting Standard, which is standard 29 (AAS29), which is the financial reporting by Government departments, as from 1996-97. It is also necessary for compliance with the financial management strategy. As you would know, accrual accounting also assists performance management, responsible accounting, effective asset management and benchmarking.

During 1995-96, we had mechanisms established to enable accrual data capture, including an accrual chart of accounts, enhanced QGFMS and a data capture manual. Also, dry runs of the AAS29 and consolidated financial statements for 1994-95 were undertaken. That was, of course, based on information that we had available at that time.

During 1996-97, finance reporting policies will be developed and the 1995-96 AAS29 accrual financial statements will be prepared. There will also be a transition to accrual-based financial management. That will commence across the departments.

Mr SPRINGBORG: Treasurer, as the Minister responsible for the Queensland Rural Adjustment Authority, I draw your attention to page 17 of the Ministerial Program Statements. Can you inform us of measures you intend to take in 1996-97 to assist rural

producers adversely affected by the continuing drought?

Mrs SHELDON: Thank you, Mr Littleproud. I know that you come from a country area and are very concerned, and rightly so, about this.

Mr BEATTIE: You are well outside of Mr Littleproud.

Mrs SHELDON: Mr Springborg. I had Mr Littleproud in mind, too. We have a large number of members who come from areas which have been severely affected by drought in the last few years. Mr Springborg has certainly been very vocal when speaking out to assist those rural producers.

Of course, the Government is still committed to assisting rural producers and communities still in the grip of drought as, unfortunately, some still are. Of course, rural producers who are now entering a phase of post-drought recovery, as you would know, may have had some rain but they have not been able to develop or harvest a crop. They really have no cash flow and no money to further seed if they are into crops or, indeed, to restock.

The range of existing drought assistance programs is continuing. A few of these include rural family support services, school conveyance allowances, School of Distance Education parent liaison officers and farm financial counselling services. The latter is very important because we have found that a lot of people in country areas, far from trying to clamour onto the system, are not really aware of what can be offered to them. They are not availing themselves of the schemes that are there.

In 1996-97, approximately \$4m is allocated for the services I have mentioned. In addition, assistance schemes administered by the QRAA—the Queensland Rural Adjustment Authority—continue to be available to primary producers and also to small businesses, which I think is very important. Not only are the primary producers affected but, of course, there is a very negative spin off to small businesses in rural towns. A sum of \$45m is available to provide assistance for replanting and restocking, for productivity enhancement and for small business drought assistance. The Government has also provided additional funding of \$14.5m for a range of activities in the Department of Primary Industries, Fisheries and Forestry. That includes an enhancement of the Property Management Planning Program, the development of a post-drought recovery strategy, rural leadership and business training programs, and the restoration of basic services in areas like research extension and industry development.

Since 1991-92, it is estimated that over \$300m has been spent on direct drought assistance in Queensland, and of this amount the State Government has contributed some \$116m. We sincerely hope that those in drought get rain and those who have had rain have continuing rain to help them to recover.

The CHAIRMAN: Looking at page 13 of the Program Statements, what is the Government's view of performance-based service agreements as outlined by the Commission of Audit?

Mrs SHELDON: As you would know, a large number of recommendations were made in the Commission of Audit report. Certainly one of them was on performance-based service agreements. Some of the recommendations that came from that audit were that service agreements should become the vehicle for a system of contract budgeting, as far as possible based on explicit service standards, facilitating budgeting related issues, that is, setting community service obligations and benchmarking of performance. We are supportive of the broad model advanced by the Commission of Audit. It seems to make clear sense to specify the quality, the quantity and the cost of service outputs expected to be provided, irrespective of whether they are publicly or privately delivered, and specify and benchmark performance against agreed performance measures. I think that can also be linked to the performance of executives and staff. A critical factor in implementing this system is the need to identify fully the costs of delivering services. This necessitates, of course, a move away from cash accounting to accrual accounting, accrual budgeting and management and reporting at all levels. The aim of the Government is to have accrual accounting and budgeting in place for 1998-99.

Mr GRICE: Turning to the Program Statements at pages 24 and 25, this financial year within your portfolio what steps will be taken to promote a national competitive gas energy market?

Mrs SHELDON: The Gas Reform Task Force is charged with establishing a national competitive gas energy market and free and fair trade of natural gas between Australian States and Territories. Queensland Government representatives are working in a group to draft a national third-party access code. This is as consistent as possible with Queensland's existing access regime. I think of particular interest to Queensland, with its rapidly growing gas market, is the need for the national code to provide an appropriate level of commercial certainty for pipeline developers so that the new pipeline projects can proceed on an efficient pricing basis. The tariff settings established to date under Queensland's regulatory regime have been extremely competitive and have certainly been in the consumers' interest. The draft of the national access code has now emerged and has been circulated to stakeholder groups, with the objective of settling an access code and intergovernmental agreement for consideration by heads of Government at the end of September. I think that succinctly points out where we are going at this point in time.

Mr SPRINGBORG: Treasurer, on page 24 of the Ministerial Program Statements there is reference to economic research and analysis. What has been done within the Treasury portfolio to assess the cost of doing business in Brisbane compared with the cost of doing business in other Australian capital cities?

Mrs SHELDON: That is a very good question, Mr Springborg, and I think it highlights how important it is for businesses to come and do business in Brisbane or, indeed, in Queensland. Coopers and Lybrand Securities Limited was

commissioned by Treasury to conduct a comparison of generic business costs incurred by businesses operating in the Australian capital cities of Brisbane, Sydney, Melbourne, Adelaide and Perth. The cost comparison study identified Brisbane as the lowest or second lowest cost location for each of the three business profiles that were studied—light manufacturing, heavy manufacturing and head office information technology. Brisbane was found to have the cheapest labour and payroll taxes. Less competitive costs included port charges—and I think that micro-economic reform is needed across the nation as well as here—gas prices, water charges and possibly electricity charges. These charges will require further study, of course, in the light of developments in Queensland—the effect of the new gas supply arrangements for business in Queensland, for example. Nationally when you are looking at the privatisation of port, water and electricity services interstate, we have electricity marketing trade reforms and, of course, the Federal Government's proposed waterfront and industrial relations reforms.

Copies of the cost comparison study have been provided to the directors-general of the Departments of the Premier and Cabinet, Economic Development and Trade, Tourism, and Small Business and Industry. We expect that the results of this study will assist in the promotion and marketing of Brisbane and, of course, Queensland as a business location. May I add that it has also assisted in identifying areas which require further review so that we can enhance our States' competitiveness. I think the great value is that Queensland still is the lowest-tax State and we have to really sell that well to ensure that we attract the business which the State richly deserves.

The CHAIRMAN: I refer to the Program Statements on pages 27 and 28, where the Queensland Infrastructure Financing Fund is referred to. What projects are being financed through this fund and what is the future of the fund?

Mrs SHELDON: As you know, QIFF was established as a trust fund in the State public accounts to provide a new funding option for the semi-commercial infrastructure projects. At the beginning of 1995-96, the QIFF trust had a balance of \$301.2m. During 1995-96, a total of \$40.052m was drawn down. The sum of \$40m was for the purpose of financing to approved projects and \$0.052 was for payment of related legal consultancies. During this period, the trust also earned interest of \$22m on its investment with the QTC. Consequently, the 1995-96 closing balance for the trust was \$283.1m.

There have been two drawdowns from the trust in 1995-96 which represent the financing payments for the North West water pipeline and the Eungella water pipeline. Of course, there were mining projects in the north west. The estimated cost of this multi-user water pipeline is \$50m and it is being undertaken by a State-owned company, North West Queensland Water Pipeline Pty Ltd. The initial contract is with Ernest Henry Mining Pty Ltd, and that is a joint venture between MIM Holdings Limited and Savage Resources Limited, for a total of 6,500

megalitres, the total capacity of the pipeline. The completion of construction is expected by mid 1997, and expenditure of \$41m in 1996-97 has been approved on that pipeline.

The Eungella water pipeline, which, of course, is the Bowen Basin, is a multi-user water pipeline. It has been established at a cost of \$61m. It is being undertaken by a State-owned company, Eungella Water Pipeline Pty Ltd. The initial contracts were successfully executed with subsidiaries of Shell Australia, BHP and Iscor of South Africa for a total of 6,950 megalitres of the pipe's capacity. Construction of that is expected to be completed in late 1997, and expenditure of \$33m in 1996-97 has been approved on the pipeline.

We have some potential new projects against which we have funds committed. They are the Comet and the Dawson River dams, the Comet dam for \$148m and the Dawson River dam for \$126m. These are currently under active consideration. Both were considered to be later candidates for QIFF funds. However, no funds have been committed. The site selection process for the Comet and Dawson River dams are currently the subject of some technical studies and appropriate community consultation.

Mr HAMILL: As a supplementary question—am I to understand from the Treasurer's answer to Mr Harper that any projects that will attract funds which were previously in the Queensland Infrastructure Financing Fund will be projects that will generate an income stream?

Mrs SHELDON: What we are doing with QIFF is taking the funds that were there and putting them into the \$1.6 billion infrastructure program. As other funds are required, they will come in from one-offs and particularly, say, from asset sales.

Mr HAMILL: Yes, but the point is: are any of the QIFF funds being directed towards the provision of social infrastructure as opposed to economic infrastructure?

Mrs SHELDON: No, they are not.

Mr HAMILL: Is it therefore the policy of the Government that with respect to income-generating assets, if they are realised—and the Government does have a major asset sales program—any funds generated from the sale of those income-generating assets will be used for only new assets, which in turn will generate income?

Mrs SHELDON: Yes. Our policy has been the same as yours and that of the previous coalition Government.

Mr HAMILL: Thank you, Treasurer.

Mrs SHELDON: We would borrow only for infrastructure that gave a return to the State.

Mr HAMILL: No, I was not talking about borrowing; I was talking about using funds generated from the asset sales.

Mrs SHELDON: The \$1.6 billion infrastructure—

Mr HAMILL: I was wondering whether you were still saying "Yes".

The CHAIRMAN: We will allow the Treasurer to complete her answer.

Mrs SHELDON: Thank you, Mr Chairman. I think I answered your question.

Mr HAMILL: Thank you. I accept "Yes."

Mrs SHELDON: I think I answered your question.

Mr GRICE: Treasurer, I draw your attention to page 24 of the Ministerial Program Statements. When do you expect the Golden Casket Agency to be corporatised?

Mrs SHELDON: Could you tell me what page that is on?

Mr GRICE: Twenty-four.

Mrs SHELDON: Certainly it has been named as a candidate for corporatisation. We foresee that happening in about July 1997, with potential additional candidates in 1997. But we are going through some discussions with the Golden Casket Corporation at the moment.

The CHAIRMAN: At this stage, the Committee will adjourn for 10 minutes and resume at 4.15 p.m.

Sitting suspended from 4.04 to 4.16 p.m.

Mrs SHELDON: Mr Chairman, if I could refer to a question by Mr Hamill just previously. I understood him to be talking about borrowing for infrastructure. He was talking about funds from QIFF, which I have looked back and—

Mr HAMILL: I was talking about asset sales.

Mrs SHELDON: Yes, you were. I said that none of those asset sales would go into social infrastructure. Some will—into schools and hospitals and so forth in that \$1.6 billion infrastructure package.

Mr HAMILL: What is the philosophical difference, then, between borrowing for social infrastructure and reducing income-generating assets to fund social infrastructure?

Mrs SHELDON: As you would well know, when you borrow you have to pay interest on those borrowings.

Mr HAMILL: Where does it leave you with the \$22m that QIFF earned and that will be forgone when those funds are poured into social infrastructure?

Mrs SHELDON: That will be part of the total asset that we can use because it is interest on the capital.

Mr HAMILL: Yes—it will not be there, will it?

Mrs SHELDON: It is also fair to say that the Government will derive wider economic benefit and, consequently, increase tax revenues over time by the better utilisation of those funds in infrastructure provision, whether it is social or not.

Mr HAMILL: They will not be generating tax if they are not generating income.

Mrs SHELDON: Oh, well. We are certainly expanding the economy, I think.

Mr BEATTIE: Could I refer the Treasurer, please, to the savings of \$500m that have been made in her view against the Forward Estimates for 1996-97, which is on page 6 of her Budget Speech. You may recall, Treasurer, that I asked this question in the House, and you referred me to the Estimates Committee today. Let me now ask the question you promised to answer in the Parliament, that is: savings of \$500m have been made in this Budget. Could you please, as promised, provide the details?

Mrs SHELDON: Firstly, it is not really related to my portfolio. These, as you know, are the Treasury Estimates of my portfolio. To get the details of savings from each department, you would have to ask the Ministers of those departments, because a lot of authority has been given to them to find those savings and restructurings themselves. In fact, some Ministers have been given global budgets, and they were able, by that factor, to restructure and make economic savings where they felt best, and of course the direction from the Cabinet Budget Review Committee was that savings were not to be made in areas which would affect service delivery.

Mr BEATTIE: I remind you that you did give an indication in the House when I asked you this question that you would answer it today, but having got an indication from you that you are not, may I specifically ask you then: in relation to your portfolio, where were the savings, where were the cuts that made up your share of the \$500m? What were the savings in your department, in other words? I am happy to put it on notice, if you wish.

Mrs SHELDON: No, I am quite happy to give you that, if you will just wait a moment for me to get it. In 1995-96, we had savings in attracting Asian banks of—

Mr BEATTIE: Sorry, I missed that. In terms of—

Mrs SHELDON: Attracting Asian banks for specific programs—\$30,000 in 1995-96 and \$170,000 in 1996-97. In OSR systems redevelopment—in 1995-96 we achieved \$2,782,000. In 1996-97 we will be spending an additional \$1m because we are reviewing the whole operation of OSR to make it more client friendly. The financial management strategy in 1995-96 achieved \$1m; in 1996-97 the target is \$2m. The round 2 savings in mandatory head office target for 1996-97 will be \$2.355m; in superannuation office operating reserve is \$2.800m; in downsizing the staff in the Budget Division is \$145m.

Mr HAMILL: Is that current year or the year past?

Mrs SHELDON: \$145,000, sorry. There was major concern that the Budget Division had disappeared. You have to give them a fright every now and again!

Mr BEATTIE: Yes, but we should not do it every day, Treasurer!

Mrs SHELDON: And head office target for the Office of Women's Affairs is \$21,000.

Mr BEATTIE: Of course, what you have done there is combined 1995-96 with 1996-97.

Mrs SHELDON: No, I have not. There are two separate totals that I will give you. In 1995-96 what was achieved was \$3,812,000, and \$6,491,000 is estimated in 1996-97. The round 1 savings represented the phasing out of the previous Government's election commitments and initiatives. The reduction in head office expenditure—which included corporate service, administrative and policy areas—of \$2.4m was through reorganising and improving efficiencies in services. Targeted areas include reductions in travel costs, which I think we have already discussed; better utilisation of common services; reduced use of consultancies; and reduction of non-essential IT development computer purchases. We made a saving of \$2.8m from the rationalisation of superannuation and administrative arrangements, and the Budget Division relinquished two staff positions and those VERs were negotiated in 1996-97.

Mr BEATTIE: Treasurer, I refer you to page 19 in particular, you can go beyond that if you wish to page 20 and page 21, in relation to the tyre and oil taxes, charges, call them what you like. In terms of your indication to the House that you were having discussions with representatives from farmers groups in relation to the charges and taxes on tyres and oil, what exemptions are you likely to give people on the land? Where are those discussions at the moment? When will you take it back to Cabinet?

Mrs SHELDON: Firstly, I did not say I was having the discussions, I said the Minister for the Environment was.

Mr BEATTIE: But you said you would be taking it to Cabinet.

Mrs SHELDON: No, I said he would be taking them to Cabinet, and he did that on Monday.

Mr BEATTIE: And the outcome?

Mrs SHELDON: I was not at Cabinet on Monday.

Mr BEATTIE: So because you were not at Cabinet, Treasury has no idea what financial decisions were made by Cabinet?

Mrs SHELDON: Indeed we do.

Mr BEATTIE: That is a relief.

Mrs SHELDON: With all due respect, I was not at Cabinet yesterday. As you would well know, it was held in Charters Towers. I do not know the exact decision that was made there. I certainly told the Minister I would support what he was taking to Cabinet, that indeed with regard to that question a number of rural industries said that they felt they should play their part as well in paying that money so that pollution controls on tyres and oil could be achieved. I agreed with the Minister, that if people that he had consulted responsibly showed that, I would support it.

Mr BEATTIE: So that means that they do get an exemption or they do not?

Mrs SHELDON: No, they will not get an exemption under what the Minister was taking to Cabinet.

Mr BEATTIE: Finally, before I hand over to my colleague, I would like to mention the Comalco negotiations. Where are they? Do we still have a chance of getting the Comalco project in Queensland?

Mrs SHELDON: As you would well know, that is not at all covered here, but I am happy to say to you that those negotiations are still taking place. We are very keen as a Government, naturally, to have any industry and development in our State and we are doing everything possible to make sure that we can attract Comalco to our State. You would be well aware that the balancing act of that is to make sure that the Government is not left with any long-term risk. While we must give incentives, and we are, to attract business like Comalco to Gladstone, I think we have a responsibility to the people of Queensland as well. Those discussions are continuing with Comalco. I am looking positively at the outcome.

Mr HAMILL: You were not in Charters Towers yesterday, you were the same place I was, at the Suncorp launch of its annual report where we had the latest bit of controversy concerning the Government's proposal to merge Suncorp with Metway. We saw the resignation of the chairman, deputy chair and another director of Suncorp. Is there anything in the Forward Estimates or in the Budget this year to provide funds should Metway shareholders move en masse and wish to cash in their shares for the Government's very high \$4.80 per share offer?

Mrs SHELDON: Firstly, Mr Hamill, I hate to disappoint you, but I do not think a large range of Metway shareholders will move on the Government, and I would please implore you to be a little positive about something that we believe will be a major financial asset for this State. I am sure as a Queenslander—I think you are a Queenslander—you would actively support what we are doing.

Mr HAMILL: I am more of a Queenslander than the Premier, Treasurer.

Mrs SHELDON: I do not know where you were born.

Mr BEATTIE: Let me assure you, he did not come from Victoria.

Mr HAMILL: That is right. Generations here, Treasurer.

Mrs SHELDON: We do not have, to the best of my knowledge, any allocation in the Budget, but I will just ask my officers if that is the case.

Dr McTAGGART: No, the purchase of Metway shares that occur on completion of the merger after the Metway shareholdings will be funded by raising the capital market of the listed unit trust. It will not involve any funds from the Budget at all.

Mr HAMILL: I will ask another question in relation to the Program Statements. This one is about superannuation. I am looking at pages 34 and 35. I refer to the distribution of funds which occurred under the Superannuation Legislation Amendment Act 1995 and to a deputation to your office on 29

August this year by Messrs Keith Harris, Harold Keith, Roy Childs and Charles Siebel on behalf of those pre-1984 retirees whose partners are deceased at which these retirees were offered a pay-out figure of one half of that offer to married couples under the 1995 amendments. What is the total value of the Government's offer? From which fund will these moneys be paid? What actuarial advice has been received by the Government in relation to this matter?

Mrs SHELDON: As you would well know, this was put into place by the previous Treasurer and we certainly are continuing on the actuarial advice that he received. Members of State, police and parliamentary schemes who retired prior to 1984 were entitled to a benefit if the member pre-deceased their spouse. Certain conditions attached to the payment of this benefit. In 1995, the option was given to eligible members to elect to surrender this benefit in favour of the lump sum payment that was equal to 78 times the fortnightly contingent spouse pension. Some 81.4 per cent of members accepted the offer, and that was at a cost of \$79m.

Mr HAMILL: Treasurer, that is fine, I am aware of all of that. I am referring to a meeting with your office on 29 August this year, not last year, this year, where those people who are still claiming they should receive a benefit, that is those people who retired before 1984 but whose partners are deceased, were told that the Government would make an offer of half of the pay-out figure that has been received by married couples. I reiterate my question: what is the value of the Government's offer? What fund will those moneys come from? Have you received actuarial advice on that offer?

Mrs SHELDON: No such commitment was made.

Mr HAMILL: I will furnish a copy of a letter where the gentleman concerned indicated that a Mr Greenfield from your office made that offer. My next question—

Mrs SHELDON: Just a moment, please.

Mr HAMILL: I table the letter for the information of the Treasurer, I will move on because—

Mrs SHELDON: Excuse me, Mr Chairman. A question has been asked of one of my ministerial staffers, that staffer is giving me the answer, I would like to give Mr Hamill the answer. No, there was no formal offer and no agreement.

Mr HAMILL: Those gentlemen will be very surprised to hear that. I refer to page 14 of the Ministerial Program Statements, which states that Treasury will pursue alternative service delivery arrangements, including competitive service delivery, with departments. We have all seen the debacle that has ensued from your desire to sack school cleaners. I refer particularly to the \$60m that you see available in Health through contracting out maintenance, cleaning and laundry services; savings through the corporatisation of Crown law; the corporatisation of the road maintenance and construction functions, which I understand are under way in the Department of Main Roads; suggestions of contracting out

maintenance cleaning services and security in Public Works and Housing; and contracting out the extension and farm advice service and the research services of the Department of Primary Industries, Fisheries and Forestry. I ask: what is left?

Mrs SHELDON: I ask you to be a little more honest in your question. Firstly, it was not my decision about school cleaners.

Mr HAMILL: You were part of the Cabinet that made that decision.

Mrs SHELDON: You asked a question. I am giving you the answer.

Mr HAMILL: You were part of the Cabinet that made that decision.

Mrs SHELDON: Would you like the answer to your first question now?

The CHAIRMAN: Mr Hamill, I think we will give the Treasurer a chance to answer the question.

Mr HAMILL: There is an interesting concept here of collective responsibility.

Mrs SHELDON: Mr Hamill, I think the Chairman is quite capable of running this without your advice. The fact of the matter is that you asked other questions regarding outcomes from other departments—if they decided they would outsource, or if they would not. That is up to the various departments. What we have said to the departments—and Education was one—was that we gave them a global budget, because they had asked for this, knowing how the State has laboured under specific payment grants by the Federal Government for many years and been restricted in any form of economic efficiencies in that regard. We were able to give a global budget to a responsible department. How they make their savings will still be up to them. You were right, at the end of the day, on policy acceptance of that proposition by the Cabinet. But indeed, I think that you, as a Minister in the previous Government—I assume you were allowed some authority as to how you were going to direct your department. That is exactly what will happen with these departments. Now, how the department goes about doing that is up to them. They will take their decisions to the Cabinet, where they will be endorsed, or not.

Mr HAMILL: What role will Treasury have then in—and I quote your Program Statements—pursuing "alternative service delivery arrangements" with departments?

Mrs SHELDON: The department, as part of the Cabinet Budget Review Committee process, would come to us with their suggestions. We, as a Cabinet Budget Review Committee, would see if, indeed, it looked as though savings could be made and if it was sensible policy to put in place. If so, that Minister and his departmental officers would come back with a program that would go to Cabinet. That is fairly much the same as you would have done, I would think.

Mr HAMILL: So you are saying that the departments will initiate all of these and Treasury will not be pursuing alternative delivery arrangements?

Mrs SHELDON: It is very much up to the departments and their Ministers how they see their program being best delivered so that they can make efficiencies in their department and make sure that they deliver basic services, which we believe is the role of the Government.

Mr HAMILL: So what are you going to do—just squeeze their budgets and then tell them to find out how they can make those savings? Is that the process?

Mrs SHELDON: Not at all. Because of the financial mess we were left by you people, we had to find some savings. Indeed, each department was directed that there was a certain amount of savings it had to find. I think I very clearly said that it was up to the departments and their Ministers in the way they went about it. I am well aware that your Government was run by the Office of the Cabinet and Kevin Rudd. But we believe that our Ministers and their departments should have more autonomy.

Mr HAMILL: In relation to those statements you have made, I refer to page 15 of the Program Statements and the preparation of the national fiscal outlook in the Government's finance statistics, which confirm a continued underlying surplus in the Queensland Budget. I refer also to page 150 of Budget Paper No. 2, where the GFS surplus for 1995-96 was \$1,032m, and there is the projection of a \$483m surplus for 1996-97. I ask the Treasurer: does she consider this to be a conservative Estimate? Is the Queensland Government still projecting underlying surpluses in the State Budget in the out years to the turn of the century?

Mrs SHELDON: As you would be well aware when you look at the GFS statements of your own previous Government, the projected outcome from 1995-96 was \$455m. The actual surplus was \$1,032,000,000. It is a recurrent trend. Our Estimate for 1996-97 is \$483m. As I said, yours was \$455m. We have yet to see what that general Government Budget sector surplus will be, but it will be over \$1 billion. As you well know, those factors are put in there for payments that must be made, such as superannuation benefits.

Mr HAMILL: I refer to page 24 of the Program Statements concerning the activities of the National Competition Policy Unit and the establishment of a Queensland Competition Authority. I ask: when will that authority be established? What is its proposed budget? Over which essential infrastructure will the Government be supporting third-party access?

Mrs SHELDON: Certainly the National Competition Policy has given rise to three types of competition regulation: the independent prices oversight of monopoly or near-monopoly Government business enterprises—GBEs; a mechanism, as you mentioned, for third-party access to dispute resolution; and a complaints mechanism for competitive neutrality. The Government has already decided to establish a Queensland Competition Authority—the QCA—as an independent statutory authority—a State authority—to overtake competition.

Mr HAMILL: We support that initiative.

Mrs SHELDON: Good, I am pleased that you do, because I think it is best for Queensland. It will have recommendatory powers only in respect of prices oversight. We think that new body should be up and running in early 1997 following the passage of enabling legislation later this year, which I guess you will support—considering your previous statement.

Mr HAMILL: On that issue of third-party access—will that extend to the operation of infrastructure? I am thinking particularly of transport infrastructure—railways, ports, etc.

Mrs SHELDON: All of those things have yet to be determined. As you well know, possible candidates are gas, electricity, water, rail and ports.

Mr HAMILL: Possible candidates for what?

Mrs SHELDON: For third-party access.

Mr HAMILL: I think that, under the legislation, organisations may bring application for third-party access. It is a question of whether third-party access will be supported, or not.

Mrs SHELDON: That is true. But we, as a Government, have yet to go through that.

Mr HAMILL: So is it a personal view only that is being expressed by the Transport Minister, that rail would be excluded from third-party access?

Mrs SHELDON: I think that what the Transport Minister is concerned about is equity on rail lines, etc. But it is also fair comment to say that the Government has not reviewed third-party access for any specific department.

Mr HAMILL: Not even the power industry?

Mrs SHELDON: Not even the power industry—except that, as you well know, we are providing a link to the national grid. We are setting up a State regime for gas.

Mr HAMILL: Dr McTaggart, are there any other areas where the Government has already considered third-party access?

Dr McTAGGART: No.

Ms SPENCE: I refer to your reply to question on notice No. 2, wherein you explain the reasons for the large reduction in the Women's Infolink budget this year. You state that, this year, a greater percentage of the Office of Women's Affairs' budget will be allocated to Infolink than was allocated last year. I ask: what percentage of the budget of the Office of Women's Affairs will be used to make up the shortfall in the Women's Infolink budget? How will that money be used? What services will be taken away from Women's Infolink due to the budget reduction?

Mrs SHELDON: Women's Infolink has in no way been downgraded. I think the details are listed in the question on notice. The Office of Women's Affairs allocation of \$1.81m in 1996-97, as you would know, represents an increase of \$.14m over the 1995-96 actual expenditure. This year, a greater percentage of the Office of Women's Affairs budget will be allocated to the Infolink service than was

allocated last year. In 1995-96, Infolink's only allocation was \$0.49m. This year, Infolink allocations are for the Women's Infolink allocation referral service, that is, \$0.29m; for the Women's Infolink technology allocation, \$0.33m; and a carryover from 1995-96, which was funds not utilised of \$0.17m, which is a total of Infolink allocations of \$0.79m.

In addition, Infolink will administer \$0.5m for the Women's Advisory Board. The carryover, of course, will also fund the survey of women and the communication initiative. What we have done is really broaden Infolink. We certainly believe that it is the age of information technology, so a lot more information has been put into that. We have decreased the number of paper pamphlets that we have given out, but have increased considerably access to the web site—I think something like 140 or 150 pages are now on the web site. We believe that more women, particularly in rural and regional areas, will be able to access through the web, through Internet, and indeed even through e-mail, the information that they require. It was fairly restricted who would be able to get pamphlets. Although we've still got pamphlets, we're certainly increasing considerably—and I launched this the other day—our information technology aspect of Infolink.

Ms SPENCE: Do you have figures on how many women in Queensland have access to the Internet and have computers?

Mrs SHELDON: No, we don't, but that is one of the things that we will be assessing in that survey that we are doing of 5,000 women to find out issues that are of major concern to them, particularly with access to Government and to Government programs. We found that, for a lot of programs throughout Government that have part of their program specifically directed to women's services, a lot of women do not know how to access that either through remoteness or not knowing what is there. If you are trying to access what is in Government, sometimes it can be pretty difficult to do that. So we are trying to make it much simpler for women to be able to find out and access directly through the web.

Ms SPENCE: So you have made the decision to take away communication from women through print and through the mail.

Mrs SHELDON: We are not taking it away; we are reducing it.

Ms SPENCE: You said that you are going to reduce that access to communication and increase it through computer usage, but you do not have any statistics with respect to how many women have access to the Internet in this State.

Mrs SHELDON: As I said, that is why we are going to do that survey to find out. I think it is a truism that—and I will get Meredith Jackson to comment in a minute—with the upgrading of information technology, I know a lot of people in the bush have computers. They can get e-mail through that. Where were those people in the bush going to get their piece of publication that you can in an office? We are downgrading the number of those publications, but we are seriously increasing the funding to Infolink. You might like to comment on that, Meredith.

Ms JACKSON: Ms Spence, we have basic figures on how many people can access the Internet. We also are providing for public Internet access through a program with the State Library and the Open Learning Institute in order to increase public access. But your suggestion that we don't actually have any knowledge on how to disseminate information is actually wrong, because we have based the strategy on a very sound understanding of what you get for your money. What I inherited at Women's Infolink was a system whereby you could distribute information on anything that occurred to the staff as a good idea on very expensive, four-colour, glossy-coated paper through the mail whether people actually wanted that information or not. What we are actually doing is using very different mediums to disseminate information much more broadly. We are doing it on inexpensive stock and through information technology, which is where everything is going.

Ms SPENCE: Would you be prepared to put on notice the information that you suggest that you have, the statistics on women who have access to computers and the Internet?

Ms Jackson: Ms Spence, if you wanted to talk to Morgan Research in Melbourne you could find that out easily. Everybody knows that it is around about 40 per cent. Fortunately, because of programs like ours, the usage by women is increasing dramatically.

Ms SPENCE: Treasurer, you state on page 11 of the Women's Affairs Budget outlook—

"The Government's industrial relations reform agenda will include the promotion of workplace arrangements that assist women to balance their work and family responsibilities."

What are the Government's own child-care initiatives for 1996-97. I refer particularly to child-care initiatives in Government workplaces or TAFE colleges?

Mrs SHELDON: Firstly, we put global figures in—you are quite right—about the various programs that we knew departments were going to do. About the specifics of those programs, you really would have to ask the relevant Minister. I think in that regard it would be Kevin Lingard. There was a second part to your question involving another Minister, I thought.

Ms SPENCE: Seeing that the Office of Women's Affairs was looking at a whole-of-Government approach to women's issues across Government departments, and you have that in your Budget outlook, what are the Government initiatives in Government buildings or TAFE colleges with respect to child-care?

Mrs SHELDON: That one I think you would have to ask Mr Santoro. As you would know, the Office of Women's Affairs—

Mr BEATTIE: Why Mr Santoro?

Mrs SHELDON: Because it is TAFE.

Ms SPENCE: I am particularly interested not just in TAFE colleges but also in any Government workplaces, any Government buildings.

Mrs SHELDON: Workplace health and safety does come under—

Mr HAMILL: Say the Executive Building, perchance.

Mrs SHELDON: Workplace health and safety, as you would be well aware, regardless of where it is, is either under Mr Santoro or Mr Connor and they may have those specific details, which we do not have.

Ms SPENCE: I actually was not asking about workplace health and safety; I was asking about child-care initiatives in Government buildings or workplaces or TAFE colleges. Are there any initiatives in this Budget?

Mrs SHELDON: For specific initiatives you would have to ask the Minister. We are not trying to be evasive. As you would well know, in the Office of Women's Affairs, we can collect the global figures—which we have done and they are listed—but as to the specific initiatives you would have to ask the Minister.

Mr HAMILL: So there are no global initiatives in this area?

Mrs SHELDON: There is a global figure for—

Ms SPENCE: I thought that the Office of Women's Affairs would know something as important as the child-care initiatives of this Government.

Mr BEATTIE: I would have thought so.

Mrs SHELDON: I am sure you are into child care, Peter.

Mr BEATTIE: Yes, I am. That is why I want to know something about it.

Mr HAMILL: He is a real SNAG.

Mr BEATTIE: That's right. I love kids.

Mr HAMILL: He's got plenty of them.

Mrs SHELDON: We do, in fact, have global figures—I think you may well have them there, Meredith—for the various programs in the departments that had initiatives being covered in the range of women's affairs. But as to the exact initiative and program—what was being spent, what the increase was—you will have to ask the relevant Minister. That is just plain commonsense. The Office of Women's Affairs does have not all of those details.

Mr BEATTIE: You can give it to us on notice, if you want. Meredith is trying to give us some information.

Mrs SHELDON: I know she has the global figures, but she does not have the details. I suggest the people to go to are the relevant Ministers.

The CHAIRMAN: Do you have some quick figures there, Meredith? Moving on then to Mr Springborg.

Mr SPRINGBORG: Can the Treasurer provide the Committee with any further details on the Tender Assessment Panel and the competitive megawatt bidding process? I note that this is not addressed in the Ministerial Program Statements.

Mrs SHELDON: It is indirectly. The Tender Assessment Panel was established to oversee the evaluation of an open, competitive megawatt bidding process for alternative sources of electricity following the cancellation of Eastlink. Three projects—which were AES in Townsville; Transfield, Yabulu; and the Oakey Ventures, Oakey—were successful. They will supply some 740 megawatts at a capital cost of \$300m. The TAP was funded by the Treasury portfolio and had a total budget of \$1.05m over two years. That was in 1995-96 and 1996-97. The 1995-96 budget of \$650,000 was funded by internal savings from the Treasury portfolio, hence the relevance of your question. That was \$600,000. The tender lodgment fees were \$50,000. The 1996-97 budget of \$400,000 is to be funded from a Treasury advance. The TAP process will be completed within the \$1.05m budget. Should a decision be made to call another round of bids for the period 2002 to 2003 onwards, I would expect the budget cost to be in the vicinity of about \$1m to \$1.5m. It is envisaged that such a budget would be partially recovered from bid fees and much of the residual cost would be borne by the QTSC.

The Queensland Electricity Industry Structure Task Force was established by Mines and Energy to inquire into the structural, institutional and regulatory arrangements for the electricity supply industry. That task force released its issues paper in August 1996 and it is expected to report in September 1996. That, of course, is being funded from existing Mines and Energy funding.

The electricity reform unit is planned to commence immediately after QEISTF provides its report and it will put the recommendations of the task force to Cabinet and work on the implementation of reforms that are agreed to. The funding for that reform will be \$2.5m in the 1996-97 year, with \$1.97m funded from DME as a new initiative and the remaining funding from the Treasurer's advance account.

The Government has indicated support for an alternative interconnection, as you know, with the New South Wales electricity grid and it shall run a corridor west of that which was proposed under the rejected Eastlink proposal. A feasibility study has been conducted, which will identify a number of options for location, funding and ownership. The Government is due to make a decision on that interconnection in January 1997 and the project is expected to be operational by the end of the year 2000.

The CHAIRMAN: Thank you, Treasurer. Looking at page 24 of the Program Statements in relation to the sale of the State gas pipeline—and it is mentioned on that page—did the sale lead to a better or a worse deal for gas consumers?

Mrs SHELDON: Thank you, Mr Chairman. As you know, on 1 July 1996 the Government finalised the sale of the State gas pipeline to PGTC—the Pacific Gas Transmission Company. The sale process involved the Government calling for interested parties to bid both for a purchase price and, of course, for a tariff regime. That tariff regime was to apply to the users. In this manner, we had to

balance enhancing the economic development by securing low transportation tariffs and achieving a satisfactory return on the Government's investment—and we did achieve that. The sale price was \$162m and that represented a premium over the book value at the time of the sale of some \$50m. The tariff regime offered by the successful bidder provided immediate reductions in tariffs of up to 80 per cent for some users.

Since the announcement of that successful bid, the users and the gas producers have applauded the result. The new owner has indicated that the new customers are being identified and that will, of course, increase the pipeline's throughput by some 50 per cent in the next 12 months. Clearly, the Government is also satisfied with the sale proceeds. That exceeded our expectations. Of course, we are using that money for infrastructure. Sale proceeds were received on 1 July 1996 into the State Gas Pipeline Fund that is administered by Mines and Energy. The loans will be transferred into Treasury in the future to pay for the State gas pipeline loan with remaining amounts, as I said, then transferred to the Consolidated Fund.

Mr GRICE: Treasurer, I refer to page 2 of the Program Statements. Can you inform the Committee of what effect the purchase by the Government of nearly 10 per cent of the shares of Metway Bank will have on the Budget?

Mrs SHELDON: Thank you, Mr Grice. As you would know, as part of the Government's plans to merge Suncorp and the QIDC with Metway, the Government acquired a stake of just less than 10 per cent in Metway Bank. The total cost of the purchase was \$65m. The Budget and the service provision will, of course, be unaffected by that purchase.

The funding source for the purchase was the proceeds from the sale of the Government's shares in Queensland Nickel Limited. These shares, of course, had been sold by the previous Labor Government and the funds, which were previously invested in equities, had been reinvested in equities. That served the important strategic objectives of the State. That was one of the reasons the money was in that fund. These objectives, of course, are to create a major banking and insurance group headquartered in Queensland, which has had great acclaim within the business community. It is something they have needed for a long time. It will keep Metway in Queensland.

Of course, the Government will sell down its ownership over a period of five years to 15 per cent. It will ultimately withdraw from the ownership and control of banking and insurance companies, which is certainly in the best interests of this State at the moment and, I do believe, it was certainly put forward by a former Labor Prime Minister, Mr Paul Keating. So I am amazed that the Labor people in this room do not support that concept. The share price was made in the context of these strategic objectives.

Further, the use of the QNI sale proceeds is temporary. As I think the Under Treasurer may have mentioned earlier, the issue of EPU's by a listed unit trust is to be established by the Government and will

fund any acquisition of those Metway shares. In any case, the shares purchased were held by institutions that have indicated a preference to sell. We did know that would happen. We have simply brought forward from November the buy back of those shares.

The funding approach for the share purchase is consistent with prudent financial management practice in that the proceeds from the sale of the capital assets have been reinvested in capital assets and they have not been directed to recurrent expenditure—a principle with which I am sure everyone would agree. So rather than be a cost at Budget, this initiative will allow the Government to enhance the services to the community.

The merger will also add significantly to the value of the Government's financial services business. That was one of the major reasons we did this as well. The surplus proceeds, that is, after reinvesting sufficient to replace dividends and tax equivalents forgone—and I would like to re-emphasise that misinformation is being put out by some that we will lose the benefits of dividends and tax equivalents in this State; we will not—we will invest a sum that will continue to give us the benefits of tax equivalents and dividends and then the rest of the money, of course, will be invested in infrastructure, which the State very much needs.

Mr HAMILL: Just a supplementary matter to the answer you have just given: you put great store upon prudent financial management and the fact that you have used equities to buy other equities. Obviously, you consider that is very important—that these income-generating funds are being used for other income-generating purposes. Is that so?

Mrs SHELDON: Is that your question? As you would well know, as regards the shares that were sold and put in QNI, one of the purposes they could be used for was to reinvest in other equities and shares, and we elected to use part of that money to do so.

Mr HAMILL: I think you used the term "prudent financial management". How does that sit then with your answer to my earlier question about using proceeds of asset sales and income-generating assets and using it for the acquisition of social infrastructure that will not generate an income stream?

Mrs SHELDON: Yes, as I said to you at the time, I think that if some of that infrastructure is on, say, schools and hospitals—and I emphasise that we are not borrowing for that—then there is a wider economic benefit and, consequently, increased tax revenues. So I think that it can be said in the wider economic sense that there is an economic benefit to the State by funding infrastructure in such a manner and at the same time providing vital infrastructure for the people of the State.

Mr HAMILL: So you are saying that using those capital assets and using them for non-income bearing purposes would still be a prudent financial transaction?

Mrs SHELDON: I think I said to you that if you are going to step up the economy by doing this, you

consequently will have increased tax revenues. This is certainly a better utilisation of the funds than holding the funds in cash.

Mr HAMILL: Even though they generate income that can be used?

Mrs SHELDON: It depends on what income they are generating. If you are talking about particular assets that are going into that infrastructure fund of \$1.6 billion, it may well be a much better community use and also a widening of an economic use to use those assets in another manner. Yes, it is appropriate asset management.

Mr HAMILL: And prudent?

Mrs SHELDON: We believe so.

Mr SPRINGBORG: My question is to the Treasurer on the same matter. Can you enlighten the Committee as to what positive effects could be felt on future State Budgets resulting from the sell down after the merger of the QIDC, Metway and Suncorp?

Mrs SHELDON: Indeed. Firstly, I think you have a Government that is divesting itself of what has been called "Queensland Inc" at a time when we will get maximum benefit for those Government institutions. Indeed, with regard to Suncorp, we know that for Suncorp to keep viable and to be able to expand into the southern markets, it needed an injection of capital of \$100m, which the previous chairman had asked for two days before we made our announcement, and a further \$100m on tax dividends and TERs, which he had requested not to be paid to the Government for another three years. The sale will definitely benefit infrastructure, after we put aside whatever the considered amount is to ensure that we have a continued return to the State as would normally have occurred through tax equivalents and dividends. After that, we hope to have \$1 billion to spend on infrastructure for the State.

The CHAIRMAN: Turning to the Arts now, and page 56 of the MPS, what funds is the Government providing to the Brisbane Festival?

Mrs SHELDON: The Brisbane Festival has been an outstanding success and I congratulate all those involved. Mr Tony Gould is here today and it is largely due to his expertise that it was such a resounding success. The takings of \$1.8m were very similar to the takings recorded at the Melbourne Festival, which obviously has a considerably larger population than Brisbane.

A Brisbane Festival grant of \$460,000 was the grant usually given to Warana. On top of that, there was a grant from the Government for \$63,000 for the Writers Festival, which was also a great success. There was an additional recurrent grant provided by this Government for \$700,000, which made the total grant for the 1996 festival \$1.223m. An additional recurrent grant was provided in 1996-97 for another \$300,000, and that took the total grants for the festival to \$1.523m. I know, from speaking to Mr Gould, that ticket sales to date have exceeded \$1.7m and are now approximately \$1.8m. Over 100,000 people attended as at 28 August, so there will be an increase on that figure.

A regional touring program is taking place. In fact, *Over The Top With Jim* opened in Caloundra last night to a sell-out audience. That is a great Queensland play by Hugh Lunn.

All told, the festival provided a total festival, with performances ranging from fine music to street theatre. We have been able to provide the best possible festival for the community. By the inclusion of the money from the Government, we were able to keep ticket prices down and increase the number of families who could attend, and that is very important. A number of things were free of charge. All told, every critique one read said how wonderful the festival was. It has been a great thing for Brisbane and we will continue to build on it.

Mr GRICE: What funds is the Government providing for the Brisbane Biennial music festival?

Mrs SHELDON: In 1995-96, the Brisbane Biennial base grant was \$824,000. We have provided an additional grant of \$700,000. This money, of course, will go to the Brisbane Biennial, which is a music festival of excellence. This will facilitate increased employment of professional musicians and artists, and the exploration of increasing regional coverage through the Australian Festival of Chamber Music in Townsville, which has been very well received. Again, the additional funding will ensure that ticket pricing will remain accessible. Most tickets cost less than \$25. There has been an enlargement of that program by 46 per cent. The festival will be staged between May and June of next year and will include a number of world and Australian premiers.

I would like to say, having been to these Biennial music festivals before, how excellent and well run they are. Nicholas Hayward and his board have done a great job and I have no doubt that they will do a great job next year in providing for the community a range of music excellence, contemporary music and innovation. We have also heard quite a bit of Asian music and that is very important. You will see great things from the Brisbane Biennial next year. The Brisbane Festival will not run next year.

Mr SPRINGBORG: My question is probably of significant interest to many of my constituents. I refer to the Regional Arts Development Fund, which appears on page 53 of the Ministerial Program Statements. Can you inform the Committee of developments within this area?

Mrs SHELDON: I know of your interest in this matter, Mr Springborg. It is certainly of interest to all of us. The RADF, the Regional Arts Development Fund, is a funding partnership between the State and local governments to support regional arts and the cultural development of regional Queensland. In 1996-97, the Government will provide \$920,000 to RADF projects, as compared to \$812,000 in 1995-96. Local governments are expected to contribute about \$488,000. In 1996-97, all councils will receive funding not less than the 1995-96 levels, unless they have requested a lesser amount. I would not think many would request that. Seven new councils will be funded in 1996-97. Very importantly, two indigenous community councils will receive funding in 1996-97—the Mornington Shire Council, which will get

\$15,000, and the Torres Shire Council, which will get \$27,587. The coalition avidly supports the program and it is a program that is well received in the community.

The CHAIRMAN: The arts grant program is raised on page 58 of the MPS. How are the recipients of those arts grants under the program chosen?

Mrs SHELDON: Applications for grants are assessed by panels drawn from the arts and the museum communities. The assessments are made on cultural or artistic merit, on financial viability and professional management of the proposed project and on how well that proposed project addresses the Government's priority for support. Allocations to major organisations, recurrent multi-year clients, will be considered in September. Funding of \$7.8m, which is up 5.3 per cent, has been set aside for these clients.

We have some allocation for one-off funding and applicants for that are assessed by peer panels during October. The recipients are announced in November. For the 1997 year, 624 applications have been received for one-off funding, requesting a total of \$10.4m. Funding available for this program is \$3.07m. This compares to 580 applications in 1996 requesting \$11.1m, of which 137 grants were made totalling \$2.4m. We will be increasing those grants up to \$3.07m. A further \$1.174m has been set aside for special allocations to provide for: orchestral service to the opera and ballet, \$651,000; the Arts Regional Touring Services, \$400,000; indigenous festivals, \$63,000; and for individual professional development, \$60,000.

Mr GRICE: Turning to pages 56 and 57 of the Program Statements, can you supply the Committee with details of the Queensland Theatre Company's planned 1996-97 operations?

Mrs SHELDON: Yes, I can. I think the Brisbane Theatre Company, which had a few problems for a couple of years, is now starting to do very well and I wish it well. We have provided \$150,000 in our Budget for rehearsal space, which it desperately needs. They have some major activities for the 1997 program. They will be launched on Tuesday, 24 September this year. In 1997, the Queensland Theatre Company plans to present its annual season of plays in the Suncorp Theatre and the Cremorne Theatre of QPAC, and a tour of a production to regional Queensland. This Government has told all its arts bodies it is very important that, within their funding allocations or extra allocations that can be made, they tour regional Queensland. This was one of the things put forth to the festival, and it will be put to the Biennial. If the Government is giving them this amount of funding, they must also tour regional Queensland. Not all Queenslanders can access these arts in the south-east corner.

Also, to build their experience and to let people know how good our companies are, such as the Queensland Theatre Company, they are going to tour Hobart, Melbourne and Adelaide and present, in collaboration with the interstate theatre companies, productions in those States. An amount of \$150,000

will be provided for the refurbishment of the Merivale Street studio, on the corner of Peel and Stanley Streets, as a dedicated rehearsal studio for the company. As I said, they have had extremely limited rehearsal venues. In 1997, when Stage 5 of the Cultural Centre is finally completed, they will have their own theatres in which to be able to show their plays and so on. All told, I think we will find that the Queensland Theatre Company will rival any other State theatre company in the nation.

Mr SPRINGBORG: My question is to the Minister for The Arts. I refer you to page 58 of the Ministerial Program Statements, and I ask: what will be the effect on the Queensland State Library of additional funding for computer resources?

Mrs SHELDON: The Queensland State Library expressed to me a priority to be able to put in a new mainframe computer. They had been asking for this for quite some time and had not been able to get that funding. We have allocated \$1m in each of two years. The funding in the first year will allow the library to get the mainframe up and going. The funding in the second year will be for software and regional connections. So by the time those two years have elapsed, the library will be able to reduce its annual maintenance costs of over \$100,000 per annum. The current computer technology is quite old and requires a lot of maintenance. It also means that there will be an electronic network supporting Queensland's 315 public libraries. We believe that is very important.

The more connection we have via information technology, the more information and help we will be able to give our regional libraries. Funding of \$1m per year for three years will be provided for the regional library support. The aim of the library, which does excellent work, will be, via that new computer framework, not only to be able to be more efficient and to update what it has currently but also to be able to readily access regional areas and to provide programs for them.

The CHAIRMAN: Treasurer, could you please refer to page 56 of the MPS and expand on the initiatives being taken in 1996-97 in relation to the Queensland Museum?

Mrs SHELDON: Firstly, a number of things are happening in relation to the Queensland Museum. We have the Pandora Foundation, which is very exciting. In 1994-95, there was a commitment of up to \$1m over five years made on a \$1 for \$2 basis to match funding raised by donations to the Pandora Foundation. That funding helps to pay for the cost of recovering artefacts from the wreck of the Pandora, which is off the north coast of Queensland. Major fundraising commenced in July and August of 1996, with donations and pledges totalling \$1.3m confirmed to date. A further \$2m is expected in 1996-97. The funding commitment of \$1m has been confirmed but rescheduled over a further year to 2001. So a total of \$183,000 will be provided in 1996, with up to \$125,000 in each subsequent year. The Government is committed to the Queensland Museum Pandora Foundation, and we will be proceeding each year to increase and supplement the funding to that foundation.

We also, of course, have the Queensland Museum Mount Isa branch. That is a continuing program comprising the John Midland Centre, which was provided through agreement with Mount Isa Mines. For 13 years, there is rent-free accommodation at the civic centre for a mineral display. That was an agreement with the Mount Isa City Council. The Frank Ashton Underground Mining Museum was transferred to the Mount Isa Rotary Club through payment of remaining debt on the site. There will be Government support of \$200,000 provided in 1996-97, and \$50,000 in 1997-98. It is expected that that museum will become self-supporting in 1998-99. The funding of \$50,000 will be used for design options and also for an expansion of the Queensland Museum in Townsville.

The regional services of the Museum Development Program were established in 1995 to address the recommendations of the Hidden Heritage report, and funding of \$370,000 has been provided for that in 1996-97. So up to six museum resource centres—two in 1996-97—will be established as a consortium with local government.

The museum also appointed an Aboriginal and Torres Strait Islander consultative committee to assist in its development of a plan to return sensitive items being held in the State collection. I am very supportive of that plan. Very recently, I saw the indigenous collection at the museum and was informed of what their commitments to the communities are. I totally support that.

The CHAIRMAN: We will hand over to the Opposition again now. Mr Matt Foley will also be asking some questions as a visiting member.

Mr BEATTIE: As we have agreed, the Ministerial Program Statements refer to increases in taxes and charges. Where does that leave your commitment that there would be no increases in taxes and charges? Will they be increased again next year if you are still in office?

Mrs SHELDON: I suppose it is on the same level as your commitment that there would be financial and prudent management by the Labor Party of the finances of this State in Government.

Mr BEATTIE: But we delivered.

Mrs SHELDON: You delivered an underlying deficit of \$185m.

Mr HAMILL: That is not what is in your Budget Speech.

Mrs SHELDON: Who asked the question?

Mr HAMILL: I am just giving you some information you obviously do not have.

Mrs SHELDON: A real deficit of \$240m in this current year—

Mr BEATTIE: So it is nowhere?

Mrs SHELDON: As a former Minister for Health, you would be well aware of the blow-out in your own budget of \$75m.

Mr BEATTIE: That is not true.

Mrs SHELDON: It is true. It's in the Budget statements.

Mr BEATTIE: So is the surplus.

Mrs SHELDON: No, the surplus is not.

Mr HAMILL: On an accrual basis, in your statement in the Budget—

Mrs SHELDON: Is this "good cop, bad cop"? Am I answering two people at once or just one? I do believe it was Mr Beattie's question?

Mr BEATTIE: Of course.

Mrs SHELDON: And, of course, we have faced a \$250m cut in Federal funding.

Mr HAMILL: That is not true.

Mrs SHELDON: You know it is true.

Mr HAMILL: That is not true. Your Budget papers show quite conclusively—

Mrs SHELDON: Mr Hamill, if you would like to ask me the next question, feel free.

Mr HAMILL: No. I can add up, even if you cannot, Treasurer.

The CHAIRMAN: Mr Hamill!

Mrs SHELDON: I am answering the Leader of the Opposition, whom you are rudely interjecting on. Mr Beattie, if you take into consideration your underlying deficit, your real deficit that would have been there this year if we hadn't scaled back and found the savings we have in the programs—without the blow-out in Health and the cuts from the Federal Government, I think we would have been able to deliver our Budget without any increased taxes or charges. They were situations out of our control, and that's why we worked very hard to find savings within our programs. I think it would be fair comment to say that we would have had—and would have; we can show that in figures—a considerable surplus if we hadn't had the Federal Government cuts.

Mr BEATTIE: I take it from your answer that you are saying that taxpayers will have an increase in taxes and charges again next year? Are you prepared to rule that out?

Mrs SHELDON: Next year is next year. We hope that that will not be the case, because we will not have an underlying deficit and we will not have a blow-out in the Health budget. We will have some Federal Government cuts—we know that—over the next couple of years. We are planning accordingly for that. Our aim at this time is not to have any increased taxes and charges. But often these things occur totally out of one's control. Similarly, John Howard faced an \$8 billion black hole deficit he didn't know Mr Keating had left him, either.

Mr BEATTIE: That is a good answer; thank you.

Mrs SHELDON: Thank you. I thought it was, too.

Mr HAMILL: I draw the Treasurer's attention to page 195 of Budget Paper No. 2 which shows that the estimate for this year—1996-97—from Commonwealth payments is \$5.068 billion compared with actual receipts from Commonwealth payments in 1995-96 of \$4.804 billion. I note that \$5 billion is bigger than \$4.8 billion. I wonder whether any of that money is going to expand the number of rape crisis

centres around the State and whether the coalition intends to honour its commitment to the Ipswich area and establish a rape crisis centre in that community.

Mrs SHELDON: I think you asked a two-part question. First of all, you would be well aware that the Budget papers did show an increase in Federal funding, but of course then we had to return money to the Federal Government, as all States did, and the headline from Victoria was indeed the Victorian Treasurer stating the amount of money that had been returned. The final increase that we got, which I think was 1.8 per cent, certainly did not cover us adequately even on population growth.

With regard to your question about rape crisis centre funding—I do believe that that comes under the Minister for Families, Youth and Community Care. It is certainly a very worthwhile project. I understood the Minister to say that he would not be cutting any major programs at all in that regard, but I think you do have to ask him about that.

Mr HAMILL: Just one further point on that. I note the Treasurer's response that some of those funds to which I referred had to be given back to the Commonwealth. I note also that those funds were all taken from the Trust and Special Funds and the allocation for the Queensland Housing Commission. I just wonder how it sits with the Treasurer's claim that there was less money from the Commonwealth this year than last year when, even when you net out the figure of \$114m, you still end up with more money from the Commonwealth this year than you did last year.

Mrs SHELDON: The fact is that we are 250 down on Forward Estimates. It is as simple as that.

Mr HAMILL: It is not real; it is only Forward Estimates, is it?

Mrs SHELDON: First, it was real, and, second, we have an effect on Forward Estimates over the next two years, because the agreement with the Federal Government was for three years.

Mr HAMILL: So it is off anticipation, not reality.

Mrs SHELDON: It is reality. All States agreed to it. If you want any further comment on Federal/State funding relationships, I would ask the Deputy Under Treasurer to comment.

Mr GRAY: If I could just clarify the \$250m cut—the arrangements with the Federal Government are such that general purpose grants are escalated each year in real per capita terms. That has been an agreement in place for several years.

Mr HAMILL: I am aware of that fact.

Mr GRAY: And the cut is from that expected increase in funding, which is factored into the Forward Estimates and allocated to expenditure.

Mr HAMILL: Yes.

Ms SPENCE: Treasurer—you note that the Office of Women's Affairs has expanded the register of women. Can you provide us with a gender analysis of boards and statutory authorities?

Mrs SHELDON: I do not know that I have all those details on me.

Ms SPENCE: I am prepared to take it on notice if you cannot do that now.

Mrs SHELDON: Yes, you can take it on notice.

Ms SPENCE: Thank you. My next question: the Budget contains \$4m for a new women's correctional centre at Wacol. Please explain the role played by the Office of Women's Affairs in determining the need for the new facility, determining the site for the new facility and determining the most appropriate requirements of female corrective service inmates.

Mrs SHELDON: I am pleased that you brought this issue up. I am very pleased that the new women's prison is being built. The current women's prison is quite appalling and quite inadequate. Women are herded together regardless of the crime they may have committed. The Office of Women's Affairs had considerable input into getting funding for the new women's prison in the current Budget. As to the actual running, etc., of the prison—that of course comes under the Minister for Police and Corrective Services. But the need was great. Of course, there was a great clamour for funds for capital works in a variety of areas, but the Office of Women's Affairs, and myself as the Minister, felt this had to be a priority.

Women prisoners have been the forgotten prisoners, by and large, and this will enable us, I firmly believe, to rehabilitate women in a much better capacity. As you would well know, there are not many women who have committed serious violent crimes in prison, but there are a number—there are some hardened criminals. When you have these permeating a prison in which you have women on quite minor offences, that is not something to be put up with. The conditions there were pretty appalling as well.

Ms SPENCE: Did the Office of Women's Affairs provide a paper on this matter?

Mrs SHELDON: We had discussions with the department and in fact with the d-g. Ms Jackson had discussions with the d-g, and I had discussions with the Minister. Meredith might like to comment.

Ms JACKSON: I took a tour of the existing facility at Boggo Road, which was a difficult experience. I could not improve on what Mrs Sheldon said about the difficulties for women prisoners at Boggo Road, but quite clearly the facility does not enhance their rehabilitation. The Office of Women's Affairs worked closely with the Corrective Services Commission, especially the two women on the commission, to arrive at a point where need was demonstrated. Yes, indeed, we had a strong role.

Mr FOLEY: May I take you to page 58 of the Ministerial Program Statements and, in particular, to the major budget cuts to the Art Gallery, the Queensland Museum, the Queensland Performing Arts Trust and the State Library—cuts which total over \$1.7m? I draw your attention to your answer to question on notice 20 to this Committee, where you indicated that the Government believes there is room to streamline certain functions and save \$823,000. I

ask you to explain the discrepancy of some \$900,000 in cuts to those cultural institutions.

Mrs SHELDON: Firstly, I should say that the whole initiative was to reduce corporate service moneys and to create efficiencies in that regard. There was a directive given to the Office of Arts and Cultural Development, which was of course communicated to the statutory authorities, that there were to be no cuts in provision of services to the public. We believe—and, indeed, the advice I had from Mr Greg Andrews was to this effect—that cuts can be found within corporate services and that streamlining can occur. This will occur in two facets.

First of all, as you would know, each of the statutory authorities has to contribute money to the QCCT for administration, and it does seem that a rationalisation can occur in corporate service costs there. As well as that, there was to be a direction on the cuts of corporate services themselves individually. Of course, the Queensland Cultural Centre Trust provides maintenance and building services to the member bodies on a fee-for-service basis. The QCCT and those bodies will renegotiate existing contracts with the Department of Public Works and Housing or seek to outsource services to private-sector providers. I was concerned that the contracts with the Department of Public Works and Housing seemed to be very expensive. When we are looking at either the Department of Public Works and Housing negotiating a better deal with their contracts or outsourcing to private-sector providers, that will save about \$1.12m in 1996-97, and those savings then will be passed on to other member bodies of the Queensland Cultural Centre. So the whole focus has been on providing service delivery to patrons and cutting down on any corporate fat.

Mr FOLEY: Even if one accepts that explanation—and I will leave to one side the question of whether that is wildly optimistic in terms of the magnitude of the savings—that explains only \$823,000 of the corporate services saved, and yet on the figures at page 58, you have foreshadowed cuts of over \$1.7m; that is, there is some \$918,000 in cuts to the Art Gallery, the Museum, the Performing Arts Trust and the State Library which you have not explained in your answer on notice, nor, with respect, in the answer you have just given.

Mrs SHELDON: I thought I did, but I will reiterate it. The \$823,000 was a specific cut in corporate services to those various instrumentalities, and the Queensland Cultural Centre Trust—which was the latter one I spoke about, which was a saving of \$1.12m—was for the outsourcing of cleaning, security services and things like that. So that is the combined cuts that are referred to. Of course, the money goes from the member bodies to the QCCT. I agree that it is a strange way of distributing funds, and we are going to be looking at a more efficient way of doing that. They were the two cuts, Mr Foley—just those two cuts.

Mr FOLEY: But the cut to the Queensland Cultural Centre Trust is down some \$1.4m on actuals from last year. My question did not relate to the Cultural Centre Trust; that is another question. This question concerns the Art Gallery, the Museum, the

Performing Arts Trust and the State Library, where your Government is cutting over \$1.7m over and above savings on corporate services. That still leaves a cut of some \$900,000, which must impact on their service delivery.

Mrs SHELDON: I cannot agree that those figures are correct because the cuts were two-phased. You can ask possibly Mr Andrews. One was \$823,000, as you have pointed out, the other was the cut to the QCCT, but it does not go directly to it because the other member bodies feed in. Greg might like to comment on that.

Mr ANDREWS: I think the explanation is that in 1995-96 there was a one-off allocation to the trust of \$1.6m, which increased the 1995-96 figure.

Mr FOLEY: That, with respect, explains the Queensland Cultural Centre Trust but it does not explain those four bodies about which I have asked on notice and which I have now asked about three times. The Art Gallery, the Museum and the State Library all have suffered major cuts and they are unexplained, even if you accept that you can save \$823,000 in corporate services.

Dr McTAGGART: Mr Foley, if I might, there are two sources of cuts that the Treasurer has referred to, one is a rationalisation of corporate service functions of all the member bodies; there are six out there. That, by itself, would yield \$823,000. The second source of cuts the Treasurer referred to was in the actual cost of the maintenance, the security and the cleaning work that the QCCT itself performs. By re-negotiating those contracts and rationalising those services, there is an additional \$1.12m. So, there are two sources of cuts—two sources of savings—the \$823,000 from the corporate services rationalisation and the \$1.12m from the various services rationalisation through QCCT. The funds are paid directly to the member bodies, as you would know, and they make the payments to the QCCT. So that total of \$1.9m in fact comes off the budgets of the member bodies which is then passed on to the QCCT.

Mr FOLEY: But that rather makes it worse, does it not, because those member bodies have actually had their budgets cut so, far from being in a better position to pay the money directly to the Cultural Centre Trust, they are in a worse position?

Mrs SHELDON: No, because of the concept which I said originally of looking at the contracts for things like security and cleaning, maintenance and so forth, which have come through Public Works and Housing and which have been extremely expensive. In discussions with them, they believe that either Public Works and Housing has to be more realistic with its price or they will be outsourced to the private sector and those savings will be found. This has all been done in consultation with the QCCT and the member bodies.

Mr FOLEY: I wonder if I could direct a question to Dr Alan Bartholomai of the Queensland Museum. Doctor, the budget for the Museum is down \$471,000 on last year, or down \$240,000 on actual expenditure. Can you indicate whether this

means there will be a cut in services or programs in the Museum's operations?

Dr BARTHOLOMAI: At this stage, the budget figures have only been made available to me in the last week and our process of budgeting, of course, is through the defined procedures in our Act, which is to put the budget to our board and then to have the Director-General, in this case the Under Treasurer, approve that budget in terms of the grant made available through the appropriation. The amount of money that has been cut at this stage is a fair amount of money and it is going to make it difficult for us to achieve, but we will attempt to do so.

Mr FOLEY: Can you identify offhand \$471,000 worth of corporate services or building or other services that you can cut compared with last year?

Dr BARTHOLOMAI: No, I cannot, I am sorry.

Mr FOLEY: I wonder if I could direct a question to Mr Doug Hall from the Queensland Art Gallery. Mr Hall, the Art Gallery's budget has been cut by \$565,000 for the coming year. Can you identify the areas of corporate services or other building services that you would propose to cut?

Mr HALL: As I understand it, our share of the reduction of corporate services is represented by \$142,000. I further believe that there is a committee which is to be convened and meet shortly and to report later this year. At this stage, I cannot speculate on where that \$142,000 saving will be made.

Mr FOLEY: Even if one accepts that there could be \$142,000 in corporate services cuts, that still leaves you \$413,000 down; that must mean, surely, a cut in the acquisitions program or on other Art Gallery services?

Mr HALL: That reduction is represented by the deferral of one new initiative which will not be provided this year but is to be reinstated next year called the Centennial Acquisitions Fund, that is \$350,000. It is also represented with two other new initiatives for which funding has not been provided.

Mr FOLEY: So the short effect of the budget cut is a reduction in acquisitions, among other things?

Mr HALL: Yes, in relation to that new initiative, but I would also add that the funding for the Queensland Art Gallery Foundation of \$500,000 a year remains intact.

Mr FOLEY: I wonder if I could direct a question to Mr Des Stephens from the State Library? The budget for the State Library has been cut by \$363,000. Do you know where that is to come out of your library services?

Mr STEPHENS: Again, that is a matter for the working party that has been set up to look at the corporate services issues.

Mr FOLEY: Apart from corporate services, are you aware of any other library services that you would propose to cut to accommodate the \$363,000 budget cut?

Mrs SHELDON: Possibly Mr Andrews could help answer that question because he has had direct discussions, I understand, with all the authorities with regard to their corporate service cuts and where those funds could be found. My direction to Mr Andrews certainly was no cut in services, so possibly Mr Andrews might like to comment on that.

Mr FOLEY: Thank you, Minister, but with respect my question is over and above corporate services. The evidence from Dr McTaggart is that there are \$1.12m in other services to be gained and I am seeking any evidence as to what they are or whether indeed no-one knows what they are at this stage.

Mrs SHELDON: Yes, we do, if you do not mind my coming in at this point. I did answer that originally, and that is savings that are to be made through the QCCT and their contracts for security, cleaning, etc., which all the member bodies have to pay for. They have to pay the money into the QCCT. We believe that that extra money can be found through the processes that I put forth. There is no intention, nor do I see any need, for statutory authorities to cut services to the public.

Mr FOLEY: I understand the explanation, I am just wondering whether there is any evidence to justify the explanation, that is why I am seeking further and better particulars from the responsible officer as to ways in which this \$363,000 is to be realised in the case of the State Library.

Mr STEPHENS: We simply do not know the answer to that.

Mr FOLEY: I direct a question to Mr Tony Gould of the Queensland Performing Arts Trust. While Mr Gould is coming to the table, I join with the Minister in conveying my congratulations to Mr Gould and to his colleagues in the Brisbane Festival for a triumph in their inaugural festival. Mr Gould, the budget for the Queensland Performing Arts Trust has been cut by \$342,000. Can you identify at this stage the areas where your operations will be cut to accommodate that \$342,000 reduction?

Mr GOULD: We feel that we can cut quite substantially the administration area of our operation. We are installing an event management system this year. We have been working on this installation for some time. That will cut our expenses a lot in the area of payroll, finance and our venue hire. So we will be achieving considerable gains in that area. Furthermore, as you know, we raise a lot of money through our commercial activities. In fact, operationally we get only about 20 per cent of our funds from Government. The rest we raise through our entrepreneurial activities and commercial activities. This year, we anticipate increasing our commercial activities revenue up to \$12.8m, which is an increase of 13 per cent over last year. Rather than cutting back on anything, I would be looking to increasing our revenue still further. The principal shortfall really is the \$186,000, which is the infrastructure area. So I would be looking to make that up from the two areas, from the venue event management system and by making more money.

Mr FOLEY: Thank you for your assistance.

The CHAIRMAN: At this stage I would like to return to the area of the Office of Women's Affairs and to revisit an issue that has been partly canvassed, that is, the Internet site. Looking at pages 48 and 49 of the Ministerial Program Statement—what is the Office of Women's Affairs Internet site? Why do we need to spend \$499,000 on it this financial year? Treasurer, could you or Ms Jackson give us some information on that?

Mrs SHELDON: The Office of Women's Affairs Internet site is an initiative of the Women and Information Technology Strategy, which is administered by Women's Infolink as part of the Office of Women's Affairs' broad information activities. The launch of the site was held at 111 George Street. It was certainly attended by many people—men and women—within the information technology community, many of whom commended the Government for its initiative. May I add that, with this information technology that we are putting in place, the Infolink overall provides information regarding women, the availability of Government access to them, grants, etc., but of course it is also able to be accessed by men, if they so wish. In no way are we discriminating. The 180-page interactive web site was developed by Plugged In Communications, who were the successful tenderers for the \$30,000 consultancy. The site includes the on-line newspaper *Queensland Woman*, which will be distributed quarterly to about 15,000 women's groups, and also that newspaper is on line so women can access that very readily. That is a two-way communication, *Queensland Woman*. It is a communication from the Office of Women's Affairs telling women about what is happening of interest to them, programs that are there, etc. We have also asked women to write letters to the editor and to write in to us about issues they want canvassed. They can now do that because it is on line, and we have e-mail.

Three discussion groups have occurred, including Women's Talk, Tech Help and Women's Forum. That is all on the on-line site. A 15-part series on how to use the Internet is designed to assist newcomers to the net, particularly women, to become familiar with the technology. It is new technology. A lot of people are not terribly familiar with it. There is an electronic subscription to the Register of Women. We particularly want to boost this Register of Women, because we are getting more and more inquiries—which is very good—from Government departments and private enterprise regarding women on boards. We just use it as a referral mechanism in which we would supply a Government department, a Minister or private enterprise with the names of, say, five or six women whose abilities and CVs fit into the requirements that have been asked for. Then it is entirely up to that Government department or private enterprise to make their selection. They may not decide to select one of those, but the selection is there. It is a way of really showing to people who require more women on boards—and we certainly want a lot more there—the ability of women and the women we have on line. There is across-departmental information of interest to women. There are internal search engines

to improve the user friendliness of the site, automatic e-mail and feedback responses, information and service links. The ongoing web maintenance and location of the service, including user access traffic costs, are budgeted at about \$550 per month.

Mr SPRINGBORG: I refer the Treasurer to page 48 of the Ministerial Program Statements, which states that the Office of Women's Affairs is leading a process to consider a rural women's council to provide rural and remote women with a forum to act on issues of concern. Where is this process now?

Mrs SHELDON: I am very pleased to say that these women all met yesterday. We advertised widely for women who were interested in doing this. We got a large number of responses. Out of that we selected 16, plus the ex-officio members. Those women met yesterday and decided—indeed, I think unanimously—that they wanted a peak rural women's group. The concept of this was that there are a number of women's groups who try to access and see what services and funding the Government has for them. We found ourselves, when we went to try to find out what Government funding was available for women's groups, that it was extremely difficult to find. There were bits and pieces out of various departments. So this will enable all the various rural women's groups to be covered by this umbrella body that will be, firstly, a lobbying voice to Government and, secondly, a direct access to Government.

It does not mean to say that any of the individual rural and remote women's groups will in any way be forced to combine or do anything. It is purely as a lobbying and access mechanism. It was a very positive seminar. There were some very able women there—women from Aboriginal communities and women from the Torres Strait Islander communities. Statistically, we had drawn women from all over the State, so every region and part of the State was represented, from the far north to the far south-west and some regional areas, the whole concept being to concentrate on access for rural and remote women in policy decision making and also to access Government services. It was very positive. I would like to congratulate the executive director on the work she did with it.

Mr GRICE: Going to page 51 of the Program Statements, it states that the Office of Women's Affairs is to receive a significant funding of \$1.8m in 1996-97. What are the forward plans for the Office of Women's Affairs? How will its existence be of direct benefit to Queensland women?

Mrs SHELDON: The core business of the Office of Women's Affairs is to listen, to advise, to research and to act. Certainly the office listens to women from all different walks of life throughout the State. We do this in a number of ways, such as holding meetings with representatives of over 70 community organisations; visits to women in their communities, such as Yarrabah, Toowoomba and Thursday Island—that has all been done in the last few months; and recording the issues raised by women who use Infolink telephone referral services. As I said, we are encouraging letters to the editor of

Queensland Woman and encouraging women to use the e-mail facility within the Women's Affairs Internet site. That will provide feedback on Government policy and services.

The office advises women through a range of mechanisms, such as referring women to appropriate services in their local area by the Infolink telephone referral service. We have a list of the top 100 toll-free telephone numbers for women. I think that is of particular benefit to rural and remote women. That list is being reproduced on the AWA network site. We produce wallet cards giving Infolink telephone numbers in eight different languages. So we are very conscious of the role of ethnic women in our community and how often, because of language and cultural barriers, they can't access the information that is there. We are providing access to Infolink for women with a hearing disability, a TTY access.

We are holding seminars on topics of vital interest to women, such as changes to the Family Law Act, and the legal responsibility of voluntary management organisations. There was, in fact, a tour right throughout the State where the Office of Women's Affairs, through the Women's Consultative Committee, ran workshops for voluntary management organisations. They were very well attended. A lot of women, of course, are on voluntary organisations. We produced the newspaper *Queensland Woman*, which keeps women informed of developments within and, of course, external to Government. We provide a large, comprehensive Internet site, which we launched last Friday. That site contains information on a wide range of matters of interest to women including the "How to" series to assist women to access the Internet. We have interactive forums where women can share ideas and assist one another, and statistical information about women in Queensland. That will enhance planning of services and businesses to benefit women. We are also researching issues and trends of significance to women and will direct the research findings to our policy makers and service providers so that we can improve achievements for women.

The CHAIRMAN: Still in the area of the Office of Women's Affairs, I refer to page 49 of the MPS. In May 1996, you said that you would convene a committee of directors-general of relevant departments to examine indigenous women's access to services. That is referred to on page 49. What has happened and where is that process now?

Mrs SHELDON: That has been a very enriching process. On 1 July, I hosted a forum of 50 indigenous women in Brisbane in which they had a workshop themselves. Out of that we got outcomes which specified the difficulties they had accessing Government services, and indeed cultural and language barriers again. From that, and their initiatives and their recommendations and working paper, I chaired a meeting of all the d-gs of all the departments. They came through with programs that women could access. We explained the difficulties in some of those programs which had been highlighted. The briefing papers were prepared and we had the first meeting of those d-gs which I chaired on 13

August. That meeting was extremely productive. I think that the enthusiasm of those present—and I would like to congratulate the d-gs on the way that they approached that project. They themselves initiated a move to meet again in November. Some of the key initiatives that are being processed now through that process are changes to birth certificates to recognise the homeland of indigenous children born in nearby cities—a lot of the women were very concerned about that—and a consultation strategy in remote indigenous communities. Those indigenous women felt that they were finally being listened to and that they had a voice into Government. As I said, the response of the d-gs was extremely good and I thank them for that.

Mr SPRINGBORG: I will ask Mrs Sheldon to put her Minister for The Arts hat back on. I refer her to page 56 of the Ministerial Program Statements and ask: can you summarise the past performance and future plans of the Queensland Performing Arts Trust.

Mrs SHELDON: I thank you, Mr Springborg. I think we have heard from Mr Tony Gould on how he sees certain savings being made, and I thank him for his commitment to that. Certainly commercial revenue for 1995-96 was \$11.3m. It is estimated that revenue for 1996-97 will increase to \$12.8m, which is an increase of 13 per cent. That increase is primarily based on bookings received for *Phantom of the Opera*, which will play for a five-month season. I am sure that it will be fully booked for the five months. We do not know whether we can increase that or not, Tony.

Set construction continued to grow and workshop has generated income in excess of \$1.15m over the first 20 months of operation. QPAT maintains an entrepreneurial fund, which is used to provide development funds for major commercial productions, and the fund retains the profit or losses from those commercial activities and the entrepreneurial ventures of the trust. That fund has been increased from \$4.6m in 1995-96 to \$6m in 1996-97. Entrepreneurial investments as at 30 June 1996 was \$805,000, which included productions such as *Smokey Joe's Cafe*, which was a great success, and *Crazy For You*.

QPAT was invited to manage and produce the Brisbane Festival for 1996—the one we have just had, of course—on behalf of Brisbane Festival Limited. QPAT actually committed a maximum contribution of \$1.5m toward the funding of the festival, which was one of the reasons it was so successful. In 1996, we had the Out of the Box festival. That was held from 10 June to 16 June. I think that was very good. We had record tickets sales and media publicity. Attendance was over 100,000 children. We are really going to focus on that again next year. The children's input was wonderful. QPAT has also introduced a SPAN ticketing system that is aimed at selling discounted tickets to disadvantaged people. Over 600 tickets were sold during the first nine months. Some of the initiatives that are planned for 1996-97 include the implementation of an integrated financial management system and vending management

system; additional information system maintenance and usage, including the Internet; and additional administrative and management support with the trust's continued growth and particularly in its community and entrepreneurial services. All told, I think that it does an excellent job in the community.

Mr GRICE: I refer to the same page, Treasurer. Would you please provide more detail on initiatives being taken in 1996-97 in relation to the Queensland Art Gallery?

Mrs SHELDON: The Queensland Art Gallery, as you know, has a number of major exhibitions and it provides excellence in this work. It has the Art Gallery Foundation and, of course, the Queensland Art Gallery Regional Services. Funding of \$50,000 has been provided in 1996-97 for regional services to complete the tour exhibitions of *The Spiritual and the Social*. As we said, there are some savings to be made through the rationalisation of corporate services. Also, we have the regional gallery's data network. That is a three-year project monitored by the Queensland Art Gallery and the Regional Galleries Association of Queensland. The Art Gallery does a lot of very good work. I think it has excellence in exhibitions. That is shown by the attendance figures. As well, it provides very good touring exhibitions to our regional art galleries. That allows people in regional and more remote areas of the State to have access to very good art. That comes at a cost, of course, because everything has to be boxed, sent, indemnified, collected and brought back. I firmly believe that our Art Gallery is second to none. I know I am a parochial Queenslander, but I have seen all the art galleries in the nation. I think the art we have and the management of it, particularly under Mr Doug Hall, are excellent. We are fortunate in Queensland to have such an institution.

Mr FOLEY: Could I just ask a question?

The CHAIRMAN: I would like to ask one and if we have time—

Mr FOLEY: Just on the Art Gallery.

The CHAIRMAN: A very quick one.

Mr FOLEY: I wonder whether the Minister would give consideration over the course of the coming year to the possibility of extending the Art Gallery's on-line facility, which currently operates out of the Queensland home page, to the availability of actual pictures themselves either through on-line services or through even a CD-ROM, so that it might be more accessible to people in remote areas of Queensland?

Mrs SHELDON: I think that is a very good idea. I would certainly be prepared to take that up with Doug Hall. I do not know how difficult that is to do, but with the upgrading of technology that we currently have, I would think we possibly could. If we can, and if it is not exorbitantly expensive, I think we should. If we have the communication network there, why not use it to a maximum?

One comment I would like to make about the Art Gallery, which I did not make, is about the Asia Pacific Triennial, which is on again this year, I think in September. I think that will be an excellent

combination and collaboration of Asian art and Asian art galleries with our own Art Gallery here in the State.

Mr FOLEY: Minister, would you say one of Wayne Goss' great legacies to the arts in Queensland?

Mrs SHELDON: I think that any advance in the arts by whoever is well accepted by me, and I give credit where it is due.

The CHAIRMAN: Just one last question—and a quick one: still on page 56 of the MPS, this year the Government promises to fund four overseas tours of Queensland arts organisations. Very briefly, what is the extent of the Government's support and what benefits will be produced from that?

Mrs SHELDON: The Government is helping to fund four overseas tours this year. Of course, this enables our very able artists to travel to show their artistic ability in various countries, and they learn by that experience, too. The Queensland Youth Orchestra is travelling to Japan in January, and the Government has made a grant to that of \$250,000. I am currently also endeavouring to negotiate some promotional funding via a Japanese company for our

young artists when they are in Japan. There is no doubt that the youth orchestra is a magnificent orchestra. John Curro, over a large number of years—30 years—has really been the mentor for the youth orchestra.

We provided the ballet with \$40,000 to tour. I think they are touring in America. Expressions dance company was provided with \$9,000 in July, and we provided \$50,000 for the Queensland Philharmonic Orchestra's tour into Asia.

So for all of those very good groups—the Youth Orchestra, the ballet, the Expressions dance company and the Queensland Philharmonic—that will enable other sections of the world to see how good our artists are, the calibre of the work produced, and also I think it is an enriching experience for those groups.

The CHAIRMAN: Thank you, Treasurer. The time allotted for the consideration of the Estimates of expenditure for the Treasury Department has now expired. I would particularly like to thank the Treasurer and all of the staff present, both at the head table and everybody else, for their attendance this afternoon. I know it has been a long session and the Committee is very grateful.

DEPARTMENT OF ECONOMIC DEVELOPMENT AND TRADE

IN ATTENDANCE

- Hon. D. J. Slack, Minister for Economic Development and Trade and Minister Assisting the Premier
- Mr T. Krimmer, Director-General
- Mr J. Carroll, Deputy Director-General
- Mrs J. Bimrose, A/Executive Director, Project and Investment Development Division
- Mr R. Anderson, A/Executive Director, International Trade Development Division
- Mr N. Brown, A/Executive Director, Development Planning Division
- Mr T. Leighton, Director, Financial Services Branch, Department of the Premier and Cabinet
- Mr M. Goodman, Management Accountant, Financial Services Branch, Department of the Premier and Cabinet

The CHAIRMAN: I reconvene the meeting. The next item for consideration is the Department of Economic Development and Trade. The time allotted is around about one hour and 10 minutes. For the information of the new witnesses, the time limit for questions is one minute and for the answers it is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of those time limits from the timekeepers on my left. An extension of time may be given with the consent of the questioner. A double chime will also sound two minutes after an extension of time has been given. As set out in the sessional orders, equal time is to be given to Government and non-Government members. For the benefit of Hansard, I ask departmental officers to identify themselves before they first answer a question.

I now declare the proposed expenditure for the Department of Economic Development and Trade be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, is it your wish to make a short introductory statement in relation to the elements within your portfolio?

Mr SLACK: Firstly, thank you very much for the opportunity to come before you as Minister, and with my departmental officers, to put to you the Estimates and the budget and answer any questions that you may wish to ask about the department.

Before explaining a little further a few points that I wish to raise, I would like to introduce to you the members who are represented here at the table. On my right is Tony Krimmer, who is the Director-General of my department. Beside him is John Carroll, who is the Deputy Director-General of the department. On the other end is Jan Bimrose, who is the Executive Director, Project and Investment Division of the department.

Mr BEATTIE: Good to see a woman in a prominent position.

Mr SLACK: I would make the point that the Committee asked for Jan's presence at the Committee tonight. Inadvertently, for some reason or other, she was not included in the group at some stage but it was always our intention for her to be among the group here tonight. On my left, we have Terry Leighton, who is with the financial services, as is Mike Goodman; Nigel Brown, who is in charge of Development and Planning; and Ray Anderson, who is in charge of International Trade Development on the far end.

I make the point, Mr Chairman, that this is a new department. It has had a very challenging period in its establishment. It was, as you are aware, part of the old Premier's Department—when I say the "old Premier's Department", I mean the previous Government's Premier's Department. The reasons that this Government saw fit to establish this particular department were manifold but the major reason was to establish a stronger presence among our trading nations as a trader. We recognise within the establishment of the department the need to focus on investment opportunities in Queensland, promote Queensland for investment opportunities and, of course, at the same time, we need to develop, with a strong emphasis on our regions, the development of our infrastructure and we have the role of infrastructure coordination between the other departments.

We work very closely with the Premier's Department, as you are aware, and we also work very closely with Treasury. I cannot overstate the necessity for the department in respect to our trade position in Queensland and Australiawide. Only this morning, the *Financial Review* had an article which stated—

"Australia's share of the fast-growing markets of East Asia shrank from 4.05 per cent of imports in 1985 to 2.89 per cent in 1993."

The article quotes ANU's Professor Peter Drysdale and Dr Weiguo Lu. the article continues—

"The missing 1.16 per cent share of the regional market was equivalent to about \$12 billion in exports forgone."

In saying that, Queensland's position was even worse.

Figures from my department indicated that Queensland's share of the cake had slipped almost 2 percentage points in the overall percentage of the Australian trade cake. That is not saying that Queensland's exports slipped. In actual fact, this year they improved from \$12 billion to \$13.4 billion, but in percentage terms of the cake we have actually slipped in the last few years. That needs to be addressed urgently if we are going to have jobs in Queensland.

In the formulation of the department and the selection of our office bearers, we have stuck to the process that was instigated by the previous Government. I can assure non-Government members on the Committee that there is no hit list in the department. The staff members who are before you,

and all members selected within the department, are selected on the appropriate criteria.

In putting together this submission, I would like to bring to the Committees's attention the fact that this is very costly and time consuming for departments. We estimate that in lost time to the department and lost time for officers and so on, it has cost us somewhere in the vicinity \$50,000 to \$100,000 to appear before this Estimates Committee tonight.

Mr BEATTIE: Money well spent.

Mr SLACK: It has to be evaluated in terms of the efficiencies that will come out. There is no doubt that there are some efficiencies. Whether it is an exercise that can actually answer all the requirements of the Committee or whether it is the best way of achieving efficiencies is to be debated and is a matter for the Committee. If you went through all the departments, the exercise that we are involved in this evening would be quite costly, as you will appreciate.

The CHAIRMAN: The first period of questions will commence with non-Government members.

Mr BEATTIE: I refer you to the International Trade Development subprogram, which you would be aware of. The details are set out in the Ministerial Program Statements. The Queensland Export Development Scheme is said to have been replaced by the Queensland Trade Assistance Scheme. How do the schemes differ, other than in name? What is the difference between the schemes? What difference will it make to us in terms of getting trade and so on?

Mr SLACK: The question relates to the change from the QEDS to the QTAS—and you will appreciate my using the lettering. In 1992-93, as you are aware, QEDS commenced providing matching financial assistance to Queensland firms seeking business growth through exports. Support under QEDS addressed market gaps with assistance designed to cater for areas of inability under Austrade's Export Market Development Grants (EMDG) Scheme. That was the scheme which has been retained Federally in a modified form.

A total of \$5.35m in QEDS assistance was allocated to 126 applicants, including 12 consortia or joint venture operations representing some 238 businesses over the three and a half years of its operations. The scheme ceased in June 1996 with outstanding commitments of \$1.24m and they will be met in full. The program achieved a measure of success with in excess of \$325m in export sales, achieved or under negotiation, attributed to QEDS support by client firms since its introduction.

Although QEDS has been an effective export development tool, it was considered that there was scope for improvement. A new improved scheme, the Queensland Trade Assistance Scheme, takes the place of QEDS. While the category of structure remains unchanged, maximum grant levels have been reduced in each category to allow more exporting firms to access the scheme. Eligibility criteria for manufacturing and traded services have been reduced. Turnover has been decreased from \$3m to

\$2.5m and employment from 15 down to 10. This will allow a greater number of smaller firms into the scheme, particularly information technology exporting businesses. The pilot in-market presence category has been widened to cater for all industries. Previously, it was restricted to agribusiness firms. This will enable more firms to be assisted in locating into key Asian markets. The maximum grant payable to a particular firm in any one year has been reduced from \$100,000 to \$70,000. This will enable more firms—

Mr BEATTIE: To share around more?

Mr SLACK: Exactly. The assessment committee structure will be simplified to enable applications to be considered in a shorter period. Estimated QATS-related exports in 1996-97 amount to \$25m.

Mr BEATTIE: Let me ask you a series of questions about overseas. I notice that the Government has given a commitment to establish a Trade and Investment office in Jakarta.

Mr SLACK: Yes.

Mr BEATTIE: I do not have any great problems with that. I have publicly supported that initiative. I am concerned, however, that we have not sought to do the same thing in Central Java, bearing in mind the Sister State relationship that exists between Queensland and Central Java—one that my colleague on the left spent a lot of time developing. I visited there recently, as indeed you have.

Mr SLACK: Yes.

Mr BEATTIE: I just wonder about the need to establish one. I am on the public record indicating that we in Government will establish one. I am not trying any one-upmanship with you. I am genuinely concerned that we need to have an office there to continue that relationship. When I talked to the Governor there, he was talking about importing Queensland hides and developing cotton. We are currently exporting all of those things to Central Java. Is there a plan further down the line to have such an office?

Mr SLACK: The current situation is that we are restricted naturally by the amount of money we have and the funds for establishing overseas offices and maintaining them effectively. We did have a review of our overseas offices in the lead-up to the Budget submission process. During that review, our priorities were established. As a result of that, as you are aware, we established an office in Los Angeles in the American market.

Mr BEATTIE: Which we supported, as you know.

Mr SLACK: Which you supported us on. We have also programmed to open an office in Shanghai, which will be opened, I think, on 21 October. Both of those offices will be fairly expensive, as you can appreciate. They are not inexpensive markets to operate in. We considered Indonesia very carefully. Indonesia is a priority of ours, and we have made a commitment to establish an office in Jakarta. That is going to be expensive. At the same time, we have indicated that we will put an officer in an office in

Central Java. I can appreciate very much the need to build on that very firm relationship that you spoke about that was established in Central Java.

Mr BEATTIE: And it is a good relationship.

Mr SLACK: Yes, it is. The Sister State arrangement was entered into in 1991. We have had cultural exchanges as a result of that. We have had educational exchanges. We have had some business exchanges. We have had exports of live cattle that are basically originating out of Queensland into that area. There is goodwill, I believe, between the people of Central Java and the people of Queensland, and that needs to be built on. It is one of our main objectives, as far as our overseas office is concerned, to build on that. However, because of the limited amount of funds we have, we can't do more. We'd like to do more.

Mr BEATTIE: Let me move on to some other areas in Asia. You know that the Federal Government is involved in a major initiative in India, the New Horizons program, in November. When I saw you during a recent overseas trip, I indicated to you we were visiting India. There are enormous opportunities opening up in India, particularly since the liberalisation in 1991. Are we doing anything to take advantage of New Horizons, bearing in mind that we export 18 per cent of our coal to India? While that is simply—

Mr SLACK: Yes, and 94 per cent of our exports to India were coal.

Mr BEATTIE: It is 18 per cent of our overall coal.

Mr SLACK: Overall, yes.

Mr BEATTIE: That has been going into steel. For the first time, they are opening up their power stations for overseas coal, and there are big opportunities there. What are we doing to partake in New Horizons?

Mr SLACK: India is one that we have looked at very closely. We have had some surveys in respect of Queensland businesses' interest in India, and we haven't got as positive a response as we would have expected to that. We would have expected a greater interest in India, based on what you outlined. The bulk, as you have correctly said, of our exports are in the coal area. That is generally handled by larger companies that have their own presence.

Mr BEATTIE: BHP.

Mr SLACK: The bigger ones tend to operate generally outside our areas and office structure. In that, again, we have limited finances and it was a matter of deciding whether to open in Shanghai, Los Angeles, Jakarta or India, taking into account that most of the exports are in coal, and also bearing in mind that we acknowledge that there is a potential there and a lack of presence on our part there, I have had some discussions with Hendy Cowan, who is the Trade Minister in Western Australia, in respect to sharing—

Mr BEATTIE: Has Western Australia made a special effort to get into India?

Mr SLACK: They have and they are doing quite well. You will appreciate that they are close.

Their area is slightly different to ours. They haven't got the coal exports that we have. They are more in the ferrous metals-type area. I have had correspondence with Cowan, who has indicated from the Western Australian Government's point of view that, in non-competitive areas with us, they would look at complementing and promoting our trade aspirations in India, provided we look at a similar situation in areas where they haven't got an office. So we are currently in the exploratory stages of identifying potential offices for Western Australia as they are for us in areas where they have got offices.

I acknowledge that there is the conference at the end of the year. I have spoken to Tim Fischer about this. He asked us about going. I was hoping to be able to get to that particular conference. It very much depends, though, on the commitments that I have in other areas.

Mr BEATTIE: I would urge you to do so; you would get bipartisan support to visit there. Hopefully, the Prime Minister will go at the same time.

I wish to move on to something else. Up until now, we have all looked at the Olympics as being an opportunity to attract sporting teams here. I had some discussions in Indonesia and India along those lines. I think there are bigger opportunities for us, particularly in the service area and with respect to architecture and construction in Sydney. In a recent visit Bob Carr had here, I spoke to him about it. There are other opportunities for us in the industrial development area. What are we doing as a State to get our hands into some of the broader opportunities presented by the Olympics, not just in relation to team training? I am not saying that is not important; it is. But there must be bigger opportunities for us. What are we doing as a State to take advantage of that?

Mr SLACK: There are interdepartmental talks with New South Wales in respect of the opportunities that will come out of those Games. Also, the Tourism, Industry and Small Business Department has been involved in talks about the possibilities in respect of the areas you have mentioned. There is no doubt that there are, and will be, opportunities presented by those Games. From your experience of travelling to the US—

Mr BEATTIE: South Carolina.

Mr SLACK:—and my experience and the Premier's experience of travelling to the US and hearing about the benefits that came out of the Atlanta Games, there is no question that there are opportunities there. We are conscious of that. We don't want to miss out on those particular opportunities. I understand from advice from my d-g that there is a special unit within the Tourism, Industry and Small Business Department that is looking at these particular aspects. We are doing a review ourselves of them.

Mr BEATTIE: In terms of some of the major projects, let us just come back to Queensland for a minute. There is very much a bipartisan approach to Korea Zinc, Century Zinc and Comalco coming here.

All sides of politics have trumpeted the importance of these projects to the State. What are we doing to make certain that Century Zinc happens? I know Bill Hayden has been appointed. Can you give us a run-down of where the major projects are—Korea Zinc, Century Zinc and Comalco? What role do you have in all of that? Are you looking at other big opportunities for us as well?

Mr SLACK: As you can appreciate, we work very closely with Premier's. We also work very closely with the Co-ordinator-General in respect of major projects. Jan Bimrose in our department is in charge of major projects, and I may ask her to comment shortly on it. But in respect of Korea Zinc, we are in a fairly delicate position at this stage as far as negotiations are concerned. The impact assessment study—IAS—is about to be signed off. These issues relate to road and rail infrastructure provisions, and environmental issues with respect to the storage of the zinc ferrite, which will be a valuable by-product of the process. We also have an issue with respect to gypsum. Some of that gypsum will be contaminated and will have to be disposed of. The Department of Environment is involved in the assessment process, as is the Commonwealth, to ensure that that is properly addressed in respect of environmental issues. But I can assure you that we are almost at the final stage. There has been much progress made and we expect an agreement to be signed by the end of September. Other issues that won't be covered within that agreement are to be signed by the end of October. Hopefully, everything going well, Korea Zinc would be in a position to start operation immediately after the wet season.

The other point that was made public today is that a group led by Mark Stoneman, who is a Parliamentary Secretary, will go to Korea to talk to Korea Zinc and see the operations of the Korea Zinc plant in Korea. My d-g, Tony Krimmer, will be involved in that delegation, as will a senior officer from the Department of Environment.

Mr BEATTIE: Why don't you go on those things, Doug?

Mr SLACK: We are not at the stage of total sign-off. We do not envisage any problems. I have spoken to the representative of Korea Zinc—I had a meeting with him only a week or so ago. We are not envisaging any problems. From that, I can say that I do not foresee a necessity for me to go—

Mr BEATTIE: So it is safe to send Mark.

Mr SLACK: —bearing in mind that my director-general is going, as is the secretary, Mark Stoneman—who, incidentally, represents a Townsville electorate—and the Department of Environment officer.

In respect to Century—you can appreciate that it is at the stage where the company has indicated that it is involved in the negotiation process with the Aboriginal people and other people in the area. As you are aware from the content of your question, Bill Hayden has been appointed to act as a mediator/negotiator between the Aboriginal people in the area, the State Government and the company in respect to facilitating the forwarding of the Century

project. The rest, I believe, is public knowledge with Century.

As to the other mines, Cannington and Comalco—Jan might like to comment on Cannington, but I will take Comalco first, if you like. Comalco came and put certain proposals to us as a Government that you are probably aware of. They are very tough negotiators.

Mr BEATTIE: This is about electricity prices.

Mr SLACK: Electricity prices and other concessions that the Government may be able to see its way clear to offer to Comalco. They also had some concerns about different areas of land in the Gladstone area in particular. They indicated to us that they were in an assessment process and that Gladstone was not the only area being assessed, although the indication was that Gladstone was probably their favourite in Queensland. They also mentioned overseas countries.

Mr BEATTIE: Like Malaysia.

Mr SLACK: They did put a proposal in respect to electricity charges, in that they would provide power and that the Government would then take surplus power from that establishment in Gladstone. There has been a breakdown of negotiations—when I say "a breakdown in negotiations", it was felt that the amount of money that was being asked by Comalco as a purchase price was well above what the State would be producing power for into the grid. I and the other people involved in the negotiations had the responsibility of looking after the Queensland taxpayers' interest. That is a primary concern. When you get a group coming to you with a proposal, there must be an equation whereby the benefits to the State such as jobs—and jobs are of paramount concern to us—and other economic benefits are outweighed by the cost to the State in respect to what that company is seeking in establishment costs.

We are in the process of a negotiation phase with Comalco. At the same time, Comalco is looking at Malaysia. You will appreciate that, as a State Government, we are not able to offer some of the benefits that national Governments are able to offer. I understand that the Malaysian national Government has made a significant offer to Comalco. But it gets back then to the taxing powers of the State as opposed to the taxing powers of the Commonwealth. We are limited in respect to our taxing powers, whereas at the end of the day the Commonwealth does benefit from the overall tax cake that is available from major project establishments wherever they be—whether it is in Queensland, New South Wales, Victoria or wherever.

Mr BEATTIE: I wonder if I could ask Mrs Bimrose to take up the point that Doug asked her to respond to, and any other matters in terms of major projects which are of particular interest to us.

Mrs BIMROSE: Sure. I will go back to Century. Your first question was about Century. The Minister talked about the right to negotiation process that is under way. In addition to that, the department at the same time is continuing to facilitate the cultural

heritage clearance of the pipeline route and the energy corridor, proceeding with acquisition of corridor land, preparing the cultural heritage management plans for the pipeline and the mine site and negotiating with the Queensland Ports Corporation and Commonwealth officials in relation to the port of Karumba and shipping of the slurry out of that port.

You mentioned the Cannington mine. Cannington is not actually one of our projects; Mines and Energy is handling Cannington. But in recognition of Cannington, Century, Ernest Henry and the Western Mining fertiliser project in Mount Isa, we realise that Cloncurry would start to bear the pressure of all of those mines, and we have commissioned consultants to undertake an infrastructure study. The consultants are still working on that. We have formed a Cloncurry planning group, which includes all of the mining companies. We have brought them together around the one table to start identifying what the infrastructure needs are for that region and, in particular, Cloncurry. We haven't got the results of that consultancy yet. That is coming up next month, I believe. What other ones did you ask about?

Mr BEATTIE: What about shale oil at Gladstone? Is that ever going to happen?

Mrs BIMROSE: Which shale oil—

Mr BEATTIE: The Canadian one.

Mr KRIMMER: Stuart shale oil. Negotiations are continuing in respect of that project. The project is very heavily dependent upon the Commonwealth research and development program, and for the time being the proponents of that project are focusing their attention on that aspect of it. Our negotiations in terms of infrastructure requirements and other requirements are, for the time being, concluded. We are now waiting for the R and D program.

Mr HAMILL: Minister, I refer you to page 1-9 of your Program Statements in relation to the International Trade Development subprogram. I note that there is a provision there this year for the establishment of offices in Shanghai, Los Angeles and Jakarta, as you have already mentioned. It would appear from the material shown there that those offices are going to be established, but with skeleton staff. Is that so? Does this represent a stage in the staffing of these offices?

Mr SLACK: Yes, to a point. It is a staged development of those offices.

Mr HAMILL: How many stages are in their development?

Mr SLACK: In respect to costs, we are reviewing our position in respect to those offices, as to how many people we can put into those offices over a period. It is fair to say that the costs are exceeding what we expected they may be. Initially, when the decision was made to establish those offices, we had an overview of what we thought would be the costs in establishing them and staffing them to what we believed would be appropriate levels. We are finding that that will be exceeded, and the position will be reviewed in the half-yearly situation.

Mr HAMILL: So to constrict what you are saying, \$1.2m has been added to the budget to establish these offices with skeleton staff but now you are getting cold feet; you not quite sure whether you can follow through to the next stage?

Mr SLACK: That is incorrect. What we may have to review is the possibility of looking for extra funds to develop and staff them to the level that we wish to staff them. There will be a review, obviously, of our programs in six months which involves the overall department's funding, and there may be cause to look for other areas within the department if we can fund it from other areas from within the department. The other situation is what you have referred to earlier today, that is, a contingency fund that the Treasurer has that I may be calling on at some time.

Mr HAMILL: Stand in the queue, Minister.

Mr BEATTIE: Good luck. I hope you get some money out of it; no-one else has.

Mr SLACK: The other point that has been brought to my attention, too, is that we are working very closely with Austrade in those areas.

Mr HAMILL: That was the point I was going to lead to. Do you still have contracts with Austrade to provide services and, if so, what is the value of those contracts and where are those services being provided?

Mr KRIMMER: We do have those contracts and we are now working very closely with Austrade from the managing director down.

Mr HAMILL: Have you got the value of those contracts and where they apply? If you have not, I am happy to put that on notice.

Mr ANDERSON: We have no contracts as such. What we do is for specific purposes. We enter into an agreement with Austrade. For example, in relation to the recent mission to Indonesia, an arrangement was made with Austrade on a fee-for-service basis, which we paid. It was very useful and they did a very good job. In future, where we have requirements which we cannot meet ourselves, we would get it on a paid basis as appropriate. We also use the embassies, who very often, of course, do not charge for their services.

Mr HAMILL: Just to follow up with Mr Anderson on that—

Mr SLACK: Just before we leave that question—

Mr HAMILL: I was not leaving the question. I want to come back to that point. Just to follow up with Mr Anderson, as a person who is managing the program, do you consider those services that are obtained through Austrade to be very cost effective?

Mr ANDERSON: Yes. They are certainly a lot cheaper than having someone on the ground.

Mr HAMILL: Minister, I will put this on notice because it requires a bit of information, but can I have details of the outgoings from your department in the last financial year and for 1996-97 for services that are sourced from Austrade, the value of each of

those arrangements and the locations that are being serviced?

Mr SLACK: You are putting that on notice?

Mr HAMILL: Yes.

Mr SLACK: Can I just say that in my own personal meetings with Austrade in the areas and the missions overseas that I have been involved in they have been very helpful and very positive, and I can only praise them in respect of the contribution they have made to the establishment of our prospective offices and their input in respect of the established offices. I would also make the point that the office in Shanghai has made provision for the involvement of the Department of Tourism, Small Business and Industry.

Mr BEATTIE: Co-locations?

Mr SLACK: Yes. I have had discussions with the Minister and his director-General, bearing in mind the costs of these offices, to share offices and to be cost effective in the establishment of Queensland offices overseas and he has agreed, particularly to new offices, and we will be looking at the same situation in Jakarta.

Mr HAMILL: Just regarding that issue of staffing again, I see all told that Shanghai attracts three staff, Los Angeles two and Jakarta one. Which of those new offices are in place now and what staffing numbers are in place now?

Mr SLACK: The office in Los Angeles has been opened. There is a contract situation at the moment with the gentleman who established and is running the Los Angeles office. Until that position is resolved and a permanent person appointed, he is in that position and he is assisted with an office girl there. As far as Shanghai is concerned, it is in the process of the partitions being put into the building. It is in a very good location in Shanghai, as is the office in Los Angeles, which is in the newer or more operative part of Los Angeles. We have advertised for positions for the Shanghai office. The director-general will be involved in the selection of a person to head the Shanghai office and that will be undertaken as part of his visit to Korea. He will be coming back to interview prospective applicants for that particular position and we will be looking for some support staff in respect to the person who is operating that office.

Mr HAMILL: Just in relation to your portfolio, would you consider that the Government is giving the portfolio a high priority?

Mr SLACK: It depends on what you use as your benchmark, former Minister, because you are in a position with trade and—

Mr HAMILL: I also had another portfolio at the same time.

Mr SLACK: I can appreciate that, but you will also realise that we are opening more offices than were opened under your jurisdiction. You correctly said that you had another portfolio. We have put the emphasis on this particular trade and investment and infrastructure within this Government which you did not do through not having another particular portfolio or a senior portfolio to operate that

particular department. I think that those things speak for themselves. However, there is no doubt that any Government would certainly like to do more because, at the end of the day, Queensland is a large State that lives by exports. We have to export, we have to trade, particularly with the emerging nations to our north—the dynamic economies that are there. We need to use every avenue that we can to promote trade in those areas, and that is not forgetting the other areas like America, London and Europe. You can well appreciate that we take it very seriously. If you want to use the measure of when you were in Government, I think we stand in front.

Mr HAMILL: I have one last question. I note, as you said, having had some experience as a Minister assisting this portfolio, that the new department that has been created seems to still have its umbilical cord in place with the Premier's Department. You are still sharing corporate services. Secondly, I am concerned that these new offices that you are establishing are effectively shadow offices staffed with skeleton staff, and I am even more concerned—and I refer you to page 105 of Budget Paper No. 2—when I examine the Forward Estimates for your department to find that over the period 1996-97 to 1998-99, your departmental outlay actually declines by 34 per cent at a time when total outlays in the Forward Estimates for the whole of Government actually increase by 2 per cent. I suggest to you that that does not augur very well for the priority that you think has been accorded to your department or part department.

Mr SLACK: In respect of the umbilical cord to the Premier that you refer to—obviously we have a close working relationship with the Premier's office. The Premier's office is involved in major projects and project facilitation, the same as we are. The Coordinator-General is within the Premier's office, so naturally there is a—

Mr HAMILL: But what about your declining budget?

Mr SLACK: Hang on, let me answer the question. We have been able to make some efficiencies within the department because of that close relationship with the Premier's Department. In the area of corporate services, for argument's sake, we are sharing facilities and therefore we are able to have efficiencies within our budget, the same as I have referred to efficiencies being able to be achieved by cooperating very closely with the Department of Small Business and Industry. Bear in mind that, if you look at the staffing levels for our department in comparison to what they were prior to the division, we are projecting that we will have more staff to oversee those offices overseas. Our budget for this particular year, when you take the analysis in round terms, has gone from \$30m when it was within the old Premier's Department to approximately \$38m—and I might get Terry to answer that last question in figure terms—in precise terms—as far as the budget allocation is concerned.

Mr LEIGHTON: One of the big factors which would impact on the reduction in numbers there is certainly that the project agenda in this department varies from year to year. So there are significant

bubbles in terms of outlays from year to year. One of the big provisions in this year's Budget is an allocation of \$8.2m for acquisition of land at Aldoga, which would cause quite a distortion in comparing year-to-year allocations. Other projects vary from year to year—projects such as the Magnesium Metal Project, which is winding up. The gas project funding is really offset by a very significant amount of recoveries from third parties. In terms of the budget for the department overall—we might just give the Committee an outline of a comparison with last year's budget. On face value, it looks like the department's budget has increased by about \$8m, but realistically—

Mr HAMILL: With respect, I was talking about the forward Estimates through to 1998-99. That was where my concern was.

Mr LEIGHTON: The project agenda varies from year to year.

Mr BEATTIE: We can put the question on notice.

Mr SLACK: Yes, put it on notice. There is a variation in projects from year to year. But in overall terms, I do not see that the figures that the shadow Treasurer is speaking of can be substantiated.

Ms SPENCE: I would like some information. You have talked about the 468 business migrant registrations which your department received and processed. Could you provide the Committee with some information about the number of business migrant registrations that are accepted and the number that are rejected, the number of these that are Taiwanese and the percentage of these Taiwanese that are accepted?

Mr SLACK: We would not have that. We would have to take that on notice.

Ms SPENCE: I will do that.

Mr ANDERSON: With respect, the Commonwealth Government would normally be the people who would make those decisions.

Ms SPENCE: Would you be able to provide those statistics, or would they be available only through the Commonwealth?

Mr ANDERSON: We would have to get them from the Commonwealth.

Ms SPENCE: It is just that you mention it here as part of your performance assessment. That is why I thought you might have that—

Mr ANDERSON: For example, from Taiwan, about half or more of the business migrants that come to Australia come to Queensland.

Mr BEATTIE: You would not have any particular Queensland figures?

Mr ANDERSON: We could get them, yes.

The CHAIRMAN: For the sake of time, take that on notice and see what you can do.

Mr BEATTIE: I have one last question. We are running out of time.

Mr SLACK: I have a brief here that outlines the number of new businesses and new exporters, etc. But that is not the question you asked.

Mr HAMILL: That could be a Government question yet to come.

Mr BEATTIE: In terms of the Development Planning Division, which has the responsibility for the State Economic Development Strategy—and, as you know, I tabled this in the House—

Mr SLACK: That is a draft which was circulated, as you are aware.

Mr BEATTIE: I am really as keen as you are to see this strategy finalised. I just wonder where we are with it. Is there going to be meat in it? When is it going to happen? When is it going to be released? I think this is an important document for the future about where we are going. Where are we with it? Is it going to have meat in it?

Mr SLACK: It depends on what you would term as "meat". It would be interesting to see your judgment as opposed to our judgment.

Mr BEATTIE: I will give you a critique on it, if you like.

Mr SLACK: As you can appreciate, the copy that you have was a draft that was circulated. There was nothing secret about that particular copy. We were looking for community input, business input and other departmental people's input into it. That has been an ongoing process. You would also be aware that we had the Commission of Audit draw certain conclusions about the Queensland economy and make certain recommendations in dealing with that. It is not my department, but we are assessing those particular recommendations. I expect that the recommendations that come out of that should be behind the formulation of that particular strategy. We have also been concentrating on the putting together—as you would appreciate—of the Budget, which has just been brought down. That received priority. However, I can assure the honourable member that our position with the Economic Development Strategy is well advanced. I believe that it has meat in it as an overall statement of policy looking towards the future. It will enunciate the Government's position on several issues. Obviously, if you are talking about legs as far as business is concerned in respect to specific projects—

Mr BEATTIE: Which I am, of course.

Mr SLACK: That gets back to the judgment of whether it is a document that outlines a strategy and policy direction for development or whether you just want to see the nuts and bolts of projects that we can announce at any time. You would appreciate that, in common with you, we would like to see projects come on stream in Queensland. We are working very hard in this department towards facilitating projects in Queensland. We have a very good department. I have absolute confidence in my office bearers to achieve results. The feedback that I have had from people who have established their headquarters in Queensland with the assistance of this department has been excellent in that they have made the comment quite often that, if it had not been for the assistance given by members of this department in the formulation stages of their projects here, the projects may never have started in Queensland and, for argument's sake, could have

gone to another State. But we are in the process, and when we release that particular document it will be for us to determine as a Government.

The CHAIRMAN: Looking back at fostering trade and using resources—we have had some discussion on Austrade and using some of its facilities. Could you explain plans being considered to foster cooperation between Queensland and other States and Territories in the use of resources and facilities for the promotion of trade and investment?

Mr SLACK: In response to a question by another member of the panel, I mentioned that we have had discussions with Western Australia and my counterpart in Western Australia. Those discussions have been very positive in the area of cooperation, bearing in mind that each State obviously has a natural instinct to promote its own trade and its own business. But there are areas where we feel that we can be complementary—Western Australia and Queensland. We do have a problem in Australia in respect to attracting particularly overseas investment to Australia. Many businesses overseas—and this was apparent on my recent visit to the US—tend to identify Australia in terms of Sydney and Melbourne to the exclusion of the other States. It is a historical thing. Unfortunately, it is still prevalent overseas. The States that do not benefit from that situation have something to be gained from cooperating where they possibly can cooperate to promote their respective States. Where that cooperation does not interfere or impinge on that State's own goals internationally, it is only to the advantage of those States that I have mentioned.

From my experience, we in Queensland are generally recognised as being a good State to have a holiday in. The sunshine, surf, the Gold Coast and Cairns are internationally known, but unfortunately in many quarters we are not internationally known apart from those attributes. You can appreciate that there is much more to Queensland than that. We are in a very favoured position geographically with respect to the emerging markets and the booming economies to the north of us. We are also getting increasing numbers of international direct flights from Brisbane to the capitals to the north of us, as we have to other capitals overseas. Brisbane Airport now outstrips Melbourne for international throughput.

We have vast mineral resources. The Northern Territory is another area where they live by exports through their port. They source many of those exports from Queensland. I talk about the live cattle trade—60 per cent of those cattle that go out of Australia as live cattle through Darwin come from Queensland. It was my intention to have discussions with the Northern Territory people, as there have been discussions by the Western Australian people with the Northern Territory people, for cooperation in the export area and investment area, because we have a common goal, common objective, common interest in respect to the northern areas of Australia.

Mr SPRINGBORG: What did the Queensland Government do to support Queensland's small to medium enterprises hit by Federal cutbacks to the

DIFF and Export Market and Development Grants programs.

Mr SLACK: The DIFF is the Development Import Finance Facility that you are referring to. As you will recall, in its lead-up to the Budget, the Federal Government made some announcements in respect of overseas aid programs. They were in a difficult position. They had inherited a situation where they had a \$10 billion shortfall in their budgetary situation that needed to be addressed. One of the areas that they earmarked for savings was the Overseas Aid Program areas, DIFF being one of those areas. The Federal Government made the announcement that it would cease funding under the DIFF scheme. That was prior to the Budget.

That had the potential of affecting many Queensland companies, and actually did affect directly Queensland companies that had already been involved in overseas programs and the formulation of their programs to access funding under the DIFF program. The DIFF program was going to hurt quite a few export companies in Queensland, as it was in other States. Those companies had gone along with an expectation of funding—so much so that they had, under the program, received letters of advice from the Federal authorities indicating that their proposals had received favourable consideration to that stage. I immediately, when I became aware of it, contacted both the Foreign Minister, Mr Downer, and the Minister for Trade, Mr Fischer—actually it was in the reverse order: I contacted Mr Fischer and then Mr Downer—outlining the problems that I foresaw for Queensland exporters, in particular small to medium-sized enterprises.

I was also a member of the ministerial group that met in Darwin on trade issues under the chairmanship of Deputy Prime Minister Fischer. I, along with other State Ministers, raised this issue and spoke very strongly about the adverse effects it was having not only on some of our businesses in Queensland and the potential it was going to have for their viability but I also raised it in respect to our international relationships. I am pleased to say that Minister Fischer took on board what we were raising and represented that issue to Foreign Minister Downer. As a result, and I am sure that it played a significant part, there is to be a review of the DIFF scheme, and there are to be some funds allocated for an assessment of those applicants that had received the letter of advice in respect to funding. It is fair to say that all applicants who received a letter of advice would not get funding under the old situation, and some of them would not have been eligible in the final analysis to get approvals. But at the end of the day, that situation will be reassessed.

As far as the Export Market Development Grant Scheme is concerned—the Federal Government didn't go ahead with its flagged position of possible abolition of it. It has been maintained in a revised form within the Budget that was brought down by the Federal Government. But, certainly, any cessation of those programs would have adversely affected many firms in Queensland. However, as a Government we appreciate the financial position the

Federal people were in. We do respect that they had the right, if they so wished, to change the program. We just felt that the way in which it was approached was too sudden. As a result of our representations and other representations, we are pleased to say that there has been some addressing of the problems.

Mr GRICE: Minister, would you or one of your officers just like to outline exactly what it was that the Government did to attract DHL to establish in Queensland?

Mr SLACK: DHL is an international carrier company. It is represented in more countries than Coca Cola. They claim they service 222 countries. It is a carrier company. It was very important to Queensland for them to establish in Queensland. Their distribution centre had been established in Sydney for a long period of time, having begun in 1971. DHL, through, I am sure, the efforts of officers of the department and through Government initiatives, were advised of Queensland's geographical position in respect of other countries that they were servicing in the Asia Pacific Rim, New Zealand and countries to the north, and the geographical advantages of Brisbane to service those markets, plus servicing the rest of Australia. They made a very brave decision, I guess, having experienced growth in Sydney over the period from 1971, to relocate their distribution centre to Queensland.

The department assisted in preparations of plans with them. They assisted in some waiving of some taxes in respect of what is available to us under the Act as far as payroll taxes and land tax-type situations are concerned. There were some incentives in respect to the airport, which are of a commercial nature and which I would not like to disclose unless the Committee wanted to hear my evidence in camera. Certainly we made a concerted effort to convince DHL that it was a better location than Sydney. We believed that what we were saying was true. They supported the arguments that were put forward.

DHL, incidentally, will be looking at 120 jobs associated with their relocation to Brisbane. By the year 2000, it is estimated that we could have 500 new jobs out of that particular re-establishment in Brisbane. The other major point is that DHL having established in Brisbane will be an incentive to other companies to look at what Queensland has to offer as far as location is concerned, and also an incentive in terms of the nature of DHL being a carrier company that can service other companies that wish to access the markets to the north of us.

The CHAIRMAN: I wonder whether you could tell us what the department is doing to assist Queensland's construction industry develop an export focus.

Mr SLACK: In answer to the question, we have established a presence in the Japanese market, a very strong presence. You are aware that we have an office in Tokyo. We also have private companies that have been exporting to Japan, and companies from Queensland that are involved in the construction industry that are also involved in the construction industry in Japan.

We have had a series of inbound trade missions from Japan to Queensland, which includes a mission from the Saitama Construction Association in October 1996. Saitama, incidentally, has a Sister State relationship with Queensland, and this is one of the benefits we are seeing out of Sister State relationships. We have had a mission from the Port of Kitakyushu in southern Japan in February 1997. All of these missions are facilitated and helped by the department in their visits. While they are here, they are assisted by the department.

To prepare Queensland companies with sufficient information to tackle the Japanese market, the department is also working closely with organisations such as Austrade and industry bodies such as HIA and MBA—the Master Builders Association—to present seminars such as the ones scheduled to be held at Yungaburra, Kangaroo Point, on 7 October 1996. The department has also arranged a delegation of eight Queensland companies to participate in Malbex—a significant Malaysian building and construction trade show—from 10 September to 13 September. This project aims to capitalise on Malaysia's building and construction industry growth of around 15 per cent per annum. Products represented include technology building equipment, materials and services.

The department has also recognised that Queensland's construction industry has a very developed services sector. Many of these companies have realised the limitations of the domestic market and have established overseas offices to take advantage of offshore opportunities. From my visit overseas and the experience of having had on the delegations members from the construction and building industry, architects and engineers, they are very focused on the need to expand outside and spread their risk outside the Queensland market. They are focused on the opportunities that do exist in markets overseas, particularly in relation to Malaysia, whose economy and construction industry is expanding at a rapid rate.

The Malaysian economy at the moment is experiencing an 8 per cent growth. They are short of labour and they are short of expertise within their building construction industry. The same thing is being experienced in other countries. In Thailand and Japan, the costs over there have escalated to the extent, too, that Queensland companies can compete effectively. My advice to Queensland companies is to take advantage of some of those opportunities that are offered in potential markets.

Mr SPRINGBORG: Minister, can you inform the Committee of the current status of the Pandora gas project?

Mr SLACK: Pandora is one that, as you are aware, involves the potential for gas delivery from what is known as the Pandora field in Torres Strait. The proponents of the project have looked to involve, as an association with the Pandora field, gas fields in Papua New Guinea. We as a Government have an understanding with the New Guinea Government that we hope will lead to the

development of their gas fields. The companies that have been involved with Pandora have an understanding with the New Guinea people for the joint development of the New Guinea gas fields and Pandora. Work has been done on the facilitation of the construction of a pipeline from Pandora through northern Queensland to Townsville. It is currently in the assessment process.

Negotiations have taken place with Aboriginal people and environmentalists. It would have to go under the sea in Torres Strait. They are also looking at the capacity of the pipeline in respect to the amount of gas that is likely to be required in Queensland.

The announcement of the power station at Townsville, I believe, will facilitate possibly the development and the supply of gas from Pandora. At the end of the day, that power station is most likely to be fired by gas at some time in the future. It is a 1,215 kilometre pipeline from the field down to Townsville. Its viability will depend on the existence of adequate gas reserves, of course, up in that area and on the initial sales, which will be required to be at least 60 petajoules per annum.

The proponents initially propose that the gas-fired power stations be located in Mareeba and Townsville. I have got great hopes for that particular project. I also believe that it will address some of the concerns of residents in the north, which are not real at this point in time, as far as future power supplies are concerned. Bear in mind that at the same time as we are looking at Pandora and the potential for Pandora we are also looking at the potential for coal bed methane gas in central Queensland. So projecting a little out towards the year 2000, if these particular projects come on stream, and it looks good at this point in time, we should have a truly competitive power supply industry operating in Queensland.

Mr GRICE: Could you detail the outcome of the success—internationally or nationally—from the Sanctuary Cove International Boat Show, which I believe your department helped organise?

Mr SLACK: That is down at Sanctuary Cove.

Mr GRICE: Yes.

Mr SLACK: I had the pleasure of actually participating in a function in association with that boat show recently. The people who were exhibiting at that particular boat show were enthused by the responses that they were getting. The department had played a part in facilitating the show. It was recognised as the major show within Australia.

Mr BEATTIE: In Australia? It was in Queensland.

Mr SLACK: It is in Queensland. It is at Sanctuary Cove, but it is recognised as an excellent venue in that you can actually have the boats on water as well as on land and you have entertainment.

Mr BEATTIE: Walk over the water.

Mr SLACK: Almost. I think it was a previous Premier who was able to do that. We in Queensland have some exciting prospects as far as international

sales of boats are concerned. In the catamaran area—fast catamarans from Australia—we provide one-third of the market and Queensland takes its share in that area. So as a trade initiative, the department has been involved in sponsoring and helping with that Sanctuary Cove show. The 1996 export sales associated with it are \$117,000 achieved with additional export sales of \$10.95m anticipated over the next 12 months. There were representatives from Malaysia and other overseas countries at that particular show who bought there. We are looking forward to next year with an increase in numbers from overseas because it is just growing from strength to strength. We had 130 visitors this year from overseas representing a 20 per cent increase on 1995. Included in those, as I said, were international ones from Korea, Malaysia and other overseas countries.

The CHAIRMAN: My question might not be as exciting to some as boat shows, but it is still very important to a lot of people. What has been the role of your department in giving the Queensland garden nursery industry export focus?

Mr SLACK: As the Chairman has correctly said, we are very supportive of all industries and we have been very supportive, naturally, of the garden industry in Queensland. There have been discussions between representatives of the Queensland nursery industry and the department on numerous occasions concerning significant off-season opportunities for the supply of horticultural products, mainly household ornamental plants, which have been identified as having market potential in Europe. Industry skills have been associated with the development of that market and we have helped where we can in assessing that particular market.

An access strategy was developed between the horticulturists and the department. The strategy consisted of a plan to increase the international skills and supply capabilities of firms within the State's garden nursery sector. The plan culminated in the creation of the Queensland-based Australian Nursery Network Incorporated, a cluster of complementary companies which, through a single marketing entity and economies of scale, is more able to capitalise on the opportunities in the market. The second element of the strategy involved a series of international marketing skills development workshops and specific marketing and promotional advice provided by this department for members of ANN, culminating in participation by the network in MIFLOR—what does that mean?—in 1995-96, the largest horticultural trade show in northern Italy. This participation exposed the group to a range of the largest importers and distributors of garden horticultural products in Europe. It resulted in almost \$2m in projected sales and the potential signing of an exclusive agent, so it is a very important industry to Queensland. The participation by the ANN represents the only significant representation by organisations from the southern hemisphere and provided buyers with varieties not normally found in the northern hemisphere. It resulted in the ANN receiving significant and special media and buyer interest.

That is one of the things that the department does—it helps many small to medium-sized industries to get access to what we see as niche markets in overseas countries. This is one area, aquaculture is another, the eel market in Japan is another. The department is associated with a series of trade exhibitions throughout the world and we send representatives to those when we can. The department involves industry personnel and industry organisations in those trade exhibitions overseas. We are assisted by and participate with Austrade in many of the particular overseas opportunities that present themselves.

The CHAIRMAN: There being no further questions, that concludes the examination of the Estimates for the Department of Economic Development and Trade. In saying that, I thank the Minister and the portfolio officers for their attendance. I particularly compliment the Minister on his happiness to answer questions freely and to enter into the debate.

Mr BEATTIE: And his relaxed style.

The CHAIRMAN: Indeed. Before I wrap up, I thank *Hansard* for their efforts for the day. They always provide a good service and are very loyal. I thank them for their dedication. I also thank the attendants for, once again, looking after us. We are well looked after and taken care of. I thank them. I also thank again, as I did at the outset, our research staff for preparing for today. Obviously, the smooth way that the program has run today is a compliment to their dedication and to the work that they have put in. Once again, thank you to our research staff for having run things so smoothly. Lastly, I thank all Committee members for entering into the spirit of today's proceedings and allowing it to run smoothly.

This concludes the Committee's consideration of the matters referred to it by the Parliament on 3 September, 1996. I declare this public hearing closed.

The Committee adjourned at 7.24 p.m.