

ESTIMATES COMMITTEE A

REPORT TO THE LEGISLATIVE ASSEMBLY OF QUEENSLAND

Office of the Governor

Queensland Audit Office

Parliamentary Commissioner for Administrative Investigations

Department of the Premier and Cabinet

Department of Economic Development and Trade

Treasury Department

Report No. 2

8 JULY 1997

ESTIMATES COMMITTEE A

Chairman: Mr Luke Woolmer MLA

Deputy Chairman: Mr Peter Beattie MLA

Other Members: Mr Allan Grice MLA
Hon David Hamill MLA
Mr Graham Healy MLA
Ms Judy Spence MLA

Staff: Ms Kerry Newton (Research Director)
Mr Simon Yick (Research Officer)
Ms Cassandra Adams (Executive Assistant)

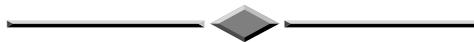


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1. INTRODUCTION

1.1. REPORT TO THE LEGISLATIVE ASSEMBLY

Estimates Committee A presents this report to the Legislative Assembly in relation to the estimates of expenditure for the following organisational units:

- Office of the Governor
- Queensland Audit Office
- Parliamentary Commissioner for Administrative Investigations
- Department of the Premier and Cabinet
- Department of Economic Development and Trade
- Treasury Department.

1.2. SESSIONAL ORDERS DATED 4 JUNE 1997

The Legislative Assembly, pursuant to Sessional Orders adopted on 4 June 1997, appointed seven estimates committees to inquire into the estimates of expenditure contained in the Appropriation (Parliament) Bill 1997 and the Appropriation Bill 1997.

This committee, being Estimates Committee A, had the following organisational units allocated to it:

- Office of the Governor
- Legislative Assembly
- Queensland Audit Office
- Parliamentary Commissioner for Administrative Investigations
- Department of the Premier and Cabinet
- Department of Economic Development and Trade
- Treasury Department
- Any other organisational units within the portfolios of the Premier and Treasurer.

Sessional Orders 30(2) requires that Estimates Committee A presents two reports; one for the Legislative Assembly and another for the other organisational units allocated to it. The Committee has reported separately in relation to the estimates of expenditure for the Legislative Assembly.

The Committee has now considered the estimates referred to it in relation to the organisational units other than the Legislative Assembly, and has met in public session to receive evidence from the relevant Ministers. The committee will table separately in the Legislative Assembly additional information which has been received as a result of questions on notice before the hearing as well as questions taken on notice during the hearing, and minutes of the committee's meetings.

In this report the committee discusses some of the initiatives in relation to which funding for each of these organisations will be directed in 1997-98. The committee also makes other observations with respect to some aspects of the 1997-98 budget which are appropriate to the organisational units for which the committee is responsible.

2. OFFICE OF THE GOVERNOR

In late December 1996 the installation of the fire detection and prevention system within Government House (which was the subject of the committee's questioning at last year's hearing) was completed. Accordingly there are now plans to promulgate an Office of the Governor *Fire Management Plan* and an *Emergency Procedure Manual* in 1997/98.

Other Office initiatives particularly noted are:

- the change in security services from state government security to the Office's own security service which has resulted in an initial saving of \$40 000 and expected future savings of \$80 000 per annum without any diminution in the level of security provided;
- attempts to introduce some consistency in staff conditions between the two designations of staff employed by the Office; and
- the Office's involvement in apprentice employment schemes whereby the Office regularly takes on up to three Q-Build apprentices for either specific periods of training or specific projects.

The Committee also wishes to place on record its good wishes for the Governor in light of her pending retirement.

3. THE OFFICE OF THE PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS (THE OMBUDSMAN) AND THE OFFICE OF THE INFORMATION COMMISSIONER

The committee's primary concern in relation to the Compliant Investigation and Resolution Program relates to addressing the backlog of cases in these offices. In this regard the committee notes that \$600 000 has been allocated in the 1997-98 budget to fund new initiatives. These initiatives include \$230 000 as a permanent addition to the Office's budget (this was approved as temporary funding in 1996-97), as well as a special allocation of \$240 000 to fund four additional investigators.

At the hearing the Ombudsman highlighted to the committee the negative effect that the high rate of attrition of experienced investigators has on dealing with this backlog and the importance of ongoing, as opposed to short-term temporary, funding. The Ombudsman also advised the committee as to methods by which the complaint numbers could be addressed including a closer look at internal review structures used in the departments and agencies.

Whilst it is recognised that this allocation will assist to alleviate the backlog, the committee believes that further consideration should be given to increasing the office's funding.

The committee notes the continuing importance of the extensive Country Visitation Program.

4. QUEENSLAND AUDIT OFFICE (QAO)

The committee notes that in accordance with s.72 of the *Financial Administration and Audit Act 1977* (Qld) a strategic review of the QAO is currently being conducted and that findings of that review, as appropriate, will be implemented in 1997-98. The Auditor-General advised the committee at the hearing that there has been no provision made in the 1997-98 budget for costs associated with implementation of the review as costs will depend on the review's outcome.

Discussion at the committee's hearing also concerned the recent proposals in Victoria to make significant changes to that state's Office of the Auditor-General. In this regard the Premier assured the committee that there has been no consideration by the government to follow the Victorian model and that the government's policy was to maintain the independence of the Office of the Auditor-General.

In relation to the fact that the QAO is no longer responsible for the Suncorp-Metway audit, the Auditor-General:

- expressed the view that Suncorp-Metway (being a substantially controlled entity through the shareholding of the government and its entities) should be within his jurisdiction; and
- advised that some of the financial resources (that were normally allocated for the Suncorp-Metway audits) are now available to the Office as a result of that lost function are being used to fund the Office's involvement in local government audits.

In this regard the Premier confirmed the government's clear policy of selling down its equity in Suncorp-Metway.

The Auditor-General also reported to the committee some encouraging signs with respect to a reduction in the future of qualified accounts for Aboriginal and Islander communities.

5. DEPARTMENT OF THE PREMIER AND CABINET

5.1. OVERVIEW

The committee notes that the department's estimated expenditure in 1997-98 represents an increase of approximately \$26.7m from the 1996-97 budget of \$72.9m. At the hearing the Premier advised the committee that the major reasons for this increase were firstly, the assumption by the department of lead agency responsibility for native title issues (\$3.14m) and secondly, the provision of \$21m for major new initiatives.

The Premier explained that these major new initiatives include:

- the upgrade of the Townsville Breakwater Entertainment Centre (\$11.5m);
- outstanding commitments entered into in 1996-97 to be met (\$5.3m);
- a contingency fund in the context of an aggregated 1997-98 capital works budget of \$4.25b in order to implement or expedite emergency projects of strategic importance to Queensland;
- the Leadership and Development Program (\$1.5m); and
- the establishment of the Queensland Science and Technology Council (\$1m).

The committee also notes that during 1996-97 the State Development Division was replaced by the Government Infrastructure and Co-ordination Division and the Office of the Co-ordinator General.

5.2. PROGRAM INITIATIVES

The committee's inquiries as to outputs and initiatives in the department's programs included matters canvassed below.

Parliamentary and Government Services - The Premier advised the committee that the 1996-97 funding for the Office of Indigenous Affairs had not yet been allocated (and therefore carried over to 1997-98) because of programs initiated by the Minister for Families, Youth and Community Care (FYCC) which are designed to advance the interests of indigenous Queenslanders. The Premier further advised that whilst he did plan to establish the Office, the FYCC programs were being monitored in order to ensure that there would be no duplication of services and resources.

At the hearing the Premier also referred to the \$400 000 budget increase for the Opposition Office and the new flexible guidelines for the financial management of that Office. The additional funding supports a 19% increase in staff and costs associated with upgraded and expanded accommodation.

Office of the Public Service - At the hearing, the committee sought further information from the Premier regarding funding for the Leadership and Development sub-program. This sub-program, in accordance with a Cabinet Budget Committee recommendation, will see \$1.5m allocated per year to allow an anticipated five officers to each undertake placements overseas for one year.

The Premier advised the committee that the anticipated benefits of this program will be an increase in participants' knowledge, skills and experience in leading-edge public sector management practices. The Premier also indicated that the program may be extended to incorporate officers going to the United States and New Zealand.

In an answer to a question taken on notice, the Premier assured the committee that whilst the Governor-in-Council Determinations with respect to Reserve Forces Training leave are currently being converted into new directives, this change will not in any way abolish or otherwise affect the quantum of such leave available to public servants.

Regional Services - Through this program offices representing the department have been established in Townsville, Mackay, Rockhampton and Cairns which, the Premier explained at the hearing, ensures that local issues receive due priority. The committee was also provided with details as to the staffing of these regional offices.

Ethnic Affairs - The committee notes that the report resulting from the comprehensive review of ethnic affairs in Queensland (carried out by the Queensland Ethnic Affairs Ministerial Advisory Committee between June and October 1996) was tabled in Parliament in March 1997.

In this regard the Premier also advised the committee that consultation with ethnic communities in regional Queensland revealed that they feel remote from, and lack information about, government services. Therefore, the Ethnic Affairs Bureau has developed a proposal under which eleven ethnic affairs regional advisory committees will be established across Queensland to, amongst other goals, enable the Premier to be conversant with issues impacting upon Queenslanders from diverse ethnic backgrounds.

Government Infrastructure and Co-ordination - At the hearing, the Premier outlined the significance and development during 1996-97 of the State Strategic Plan which sets out the context and priorities for the provision of social and economic services and physical infrastructure facilities for Queensland. In 1997-98, co-ordination and assistance with the development of that plan including the five key strategies supporting the objectives of that plan, will continue. In response to a question on notice, the Premier gave the committee details as to the status of the release of those five strategies.

Given the fundamental importance of capital works and the recent historical carry-over of capital works expenditure, the committee sought further information from the Premier as to the capital works monitoring system which will be introduced on 1 July 1997 and which will gather data on capital works across all departments.

In response to a question taken on notice at the hearing, the Premier also provided the committee with a table setting out details of Consolidated Fund capital works expenditure for 1996-97 and the Consolidated Fund capital works budget for 1997-98 for each department and agency.

Office of the Co-ordinator General - The newly established Office of the Co-ordinator General is the first contact point within the State government for major and complex projects involving more than one agency or level of government. The committee notes that, for example, in 1996-97 this office has facilitated and assisted with projects including Century Zinc and played a role in addressing community needs in Charleville following the recent floods.

At the hearing, the Premier stressed the role of the Office with respect to providing assistance to small rural councils which experience difficulties in addressing issues associated with major project proposals.

Ministerial Offices - The committee notes that as a result of recommendation by the Office of the Public Service, the Ministerial Services Branch and Ministerial Support Unit have been amalgamated into a Ministerial Corporate Service Branch located in the department. (Previously the Ministerial Services Branch was located in the Treasury department.)

At the hearing the Premier also:

- explained that for 1996-97 the Ministerial Offices budget is expected to exceed the approved budget by 7.6% due to factors including overseas and domestic travel by Ministers and staff, the appointment of Parliamentary secretaries and additional support staff, and funding of termination payments; and
- provided the committee with further information with respect to the need for, and the purpose of, the review of the guidelines for the financial management of the Office of the Minister.

In response to a question taken on notice at the hearing, the Premier also provided the committee with further details as to the 1997-98 budget for the Office of Parliamentary Secretary (refer to page 4-50 of the MPS) which is separate from the budget for the Townsville office of the Premier.

6. TREASURY DEPARTMENT

6.1. TREASURY

6.1.1. Overview

During 1996-97 the Treasury portfolio moved to a new program structure. This has resulted in a transition to four new programs which the Treasurer advises the committee is based on the outcomes which the portfolio is seeking to achieve.

At the hearing, the Treasurer also elaborated on the implementation of the strategic management framework which will commence in 1997-98 and which is one of the five strategic documents supporting the implementation of the State's Strategic Plan. This framework apparently sets out an integrated approach to the management of key public resources and aims to deliver with maximum efficiency high quality services that positively support Queensland's economic and social development whilst maintaining fiscal responsibility.

This framework will also provide the basis for the introduction of accrual output budgeting for the 1999-2000 budget year.

Discussion at the committee's hearing also concerned teacher positions and numbers, and more particularly definitional matters relating to "extra" and "new". In this regard the Treasurer explained to the committee that the figures relating to teachers were supplied by the Department of Education. The committee further notes that the matter was clarified by the Treasurer in her response in the second reading debate to the budget.

6.1.2. Treasury Programs

The committee notes the following points with respect to issues arising from the Treasury programs.

Resource Allocation and Management - In an answer to a question on notice, the Treasurer advised the committee that the purpose of the "special allocations" sub-program (refer to page 10 of the MPS) is to provide funding for specific purpose activities for which the program is responsible. The major component of this allocation is the Treasurer's Advance which is used for unforeseen and other contingences.

Financial Performance and Measurement - Implementation of key directions identified by the 1996 Commission of Audit is carried out under this program as is management of the Queensland Government Financial Management System (QGFMS) which is the government's strategic management system used by all budget sector agencies. The Treasurer elaborated on both the achievements of the Audit Commission Implementation Office and aspects of the QGFMS at the hearing.

Revenue - At the hearing the Treasurer provided the committee with further information as to the results of the recent independent major review of the Office of State Revenue (OSR). As a result of this review, the OSR will shift to embrace four critical success factors outlined in that report; namely, voluntary compliance, improved client service, increased taxpayer certainty and the right systems, practices and people to support those three critical success factors.

The Treasurer also advised that in order to ensure that the OSR is able to carry out these initiatives a restructure is being carried out.

Economic Enhancement

The Treasurer advised the committee as to a number of aspects of this program at

the hearing including those listed below.

- The delay in the release of guidelines for private sector involvement in public infrastructure was due to a fairly exhaustive consultative process and the interactive development of a new framework. The Treasurer stressed that, in order to be effective, these guidelines must adequately address the concerns and requirements of a wide range of government and industry stakeholders in relation to policy and procedural matters whilst also achieving value for money in the delivery of public infrastructure and services.
- The need for redevelopment of the State econometric model (used to develop economic forecasts and assist frame the state budget) was brought about by the changing structure of the economy and the upgrade of information that is available to all departments, particularly with the move to accrual accounting. The Treasurer confirmed that the redevelopment of this model was not prompted by the difference between forecast and actual figures for employment growth and unemployment rates for 1996-97. She explained that these differences indicate the volatility of Australia's unemployment situation rather than problems with forecasting. In response to queries as to how 2.5% employment growth (which extrapolates to 38 600 additional jobs) will result in 50 000 extra jobs, the Treasurer stated that the projection of 50 000 jobs is based on a total budget including State economic growth of 4.5% and a total capital works expenditure of \$4.2b.
- During 1996-97 the Electricity Reform Unit was established in conjunction with the commencement of the major reform of the electricity industry. In relation to this reform the committee also queried the Treasurer as to the aggregate level of annual repayments for the debt of \$850m incurred by the electricity industry in order to fund the increase in capital works expenditure. In response the Treasurer advised that there is no set program of repayments and that the corporation will borrow at commercial rates through the QTC and will repay it accordingly. Further, the Treasurer advised that any interest costs will be offset by a reduction in dividend payments.

Gaming - The committee notes that recent legislative changes have founded a program of major change in gaming regulation. The Office of Gaming Regulation (OGR) will also progressively implement a new model for gaming regulation in 1997-98 as a result of the review of the Queensland gaming machine regulatory arrangements. The Treasurer informed the committee that the focus of these changes is to ensure that the OGR is flexible and responsive to clients and that its functions have a clear regulatory focus.

In relation to the 1997-98 budgeted revenue from gaming machine tax, the committee established at the hearing that the reason for the difference between the estimate of \$95m on page 41 and 51 of the budget paper No.2, and the figure of \$99.1m on page 206 of that paper, is due to the latter figure including \$4.1m

attributed to keno.

Superannuation - According to the Treasurer, Commonwealth superannuation initiatives in 1996-97 promoted a review of the State's superannuation arrangements. This review will be completed in 1997-98 and the outcomes will be implemented by the Government Superannuation Office.

At the hearing the Treasurer also advised the committee that because a review is currently being undertaken in relation to the impact of the Commonwealth's changes to retirement incomes on the management of government superannuation schemes, the associated costs to those changes were not yet known.

Corporate and Specialist Services - The committee notes that as part of the 1997-98 agenda for the National Competition Policy, the Queensland Competition Authority (QCA) will be operational from 1 July 1997. In response to a question on notice, the Treasurer provided the committee with additional information as to the QCA which will be responsible for regulation of prices oversight and third party access.

6.2. OFFICE OF WOMEN'S AFFAIRS

The committee questioned the Minister in some detail as to the initiatives in relation to which the Office of Women's Affairs will expend its record funding of \$ 2.4m in 1997-98. In this regard the committee notes:

- the Minister's advice that the Office does have the infrastructure to implement the Women 2000 initiative (which will commence in 1997-98 and extend until 2000) through the revamped office and Infolink;
- the continued and new funding for numerous domestic violence and sexual assault initiatives;
- the ongoing consultative mechanisms relating to women's issues which ensure that the Office has input into programs and policies that affect women in general across the whole of government; and
- the maintenance of funding for breast and cervical cancer screening programs and continuation of the process of educating women on the availability of these free services.

Other matters relating to the Women's Affairs program and raised by the committee at the hearing were:

- the estimated \$8m difference between 1996 and 1997 child care budgeted amounts which the Minister explained occurred largely because the money was dedicated to specific capital works which were completed in the previous year;
- the staff turnover in the Office which the Minister explained was at minimal cost (with VERs totalling about \$92 000) and due to a refocus in the Office; and

- the Survey of Women in relation to which the Minister advised that the extension in the quantitative stage of the survey into 1997-98 will have a current year cost of \$60 000. For confidentiality reasons the Minister would not specifically name the fifteen focus groups used in the survey.

6.3. THE ARTS

6.3.1. Overview

During 1996-97, as a result of a series of reviews (conducted in consultation with arts organisation representatives), the Arts Portfolio was refocused. These reviews included a program evaluation of the Office of Arts and Cultural Development, a review of corporate services and the grants peers assessment process.

The Minister explained to the committee that the advantages of this refocus include greater autonomy to the statutory authorities, funding certainty and cost savings in corporate services (estimated to realise \$825 000 in 1997-98) through the establishment of a Corporate Administrative Agency (CAA).

The Minister further advised that this restructure will be implemented in stages over twelve months from 1 July 1997, and that funding of \$6.123m has been provided to meet the establishment costs of the CAA and costs of systems implementation. The sum of \$692 000 has also been provided to meet the expenses of the Arts Implementation Office.

At the hearing, the committee queried the Minister as to this expenditure in light of statements made in her Address-in-Reply wherein she stated that:

- the \$6.123m is a recoverable loan which the Arts Office and the CAA will repay over time; and
- the \$692 000 for the operating expenses for the Arts Implementation Office is one-off funding in 1997-98 and represents up-front capital to meet the expenses associated with implementing the CAA.

Questioning also focused on the effect that this review will have on staffing in The Arts portfolio. The committee notes that at page 61 of the MPS the Minister estimated that the portfolio will be reduced by 23 positions in 1997-98 but that this was not reflected against sub-program FTEs as planning processes are currently in progress and will be determined by 30 June 1997.

The Minister responded to the committee's questions in this regard that:

- the recovery of the loan does not mean that there will be very significant levels of staff reductions (although the Minister did not provide the committee with details as the time and manner in which the Arts Office would repay this loan); and
- should any voluntary redundancies occur as a result of the review (and there was yet no established number of VERs or a date by when that

figure will be established), redundancy payments will be funded from the \$6.123m allocated for implementation of the review.

The Minister also provided the committee with further details as to the focus of the new arts development initiatives funded in the 1997-98 budget, being front-line arts grants, regional Queensland (including the Regional Arts Development Fund, funding for the Townsville Museum and matching funding to assist with the development of a Maryborough Performing Arts Centre) and youth.

6.3.2. Arts Statutory Authorities

Specific areas of interest to the committee in the Arts sub-programs are noted below.

Queensland Art Gallery - At the hearing the committee queried the Minister as to the reason for the difference between \$50 000 for the Regional Collection Tour in the 1996-97 budget and the absence of any such provision in the 1997-98 budget. In a written response the Minister explained that the \$50 000 included in the 1996-97 budget was a one-off provision for that year to allow a regional tour of the exhibition *The Spiritual and the Social* to be completed.

Queensland Museum - The committee has made further inquiries with respect to the difference between the reported number of Queensland Museum administrative staff of 245 in the 1997-98 MPS, and 131 in the 1996-97 MPS. In this regard the committee's inquiries revealed that the increase in staff over the figures supplied in the 1997-97 MPS relates to a redefinition of FTEs to include Queensland Museum appointment as well as appointments under the Public Service awards.

Queensland Performing Arts Trust (QPAT) - At the hearing the Minister explained to the committee some of the background to, and the benefits of, the Queensland Philharmonic Orchestra merging with the QPAT.

State Library of Queensland - Also at the hearing the Minister gave an undertaking that each of the cutbacks suffered by regional libraries in last year's budget will be reversed in this year's budgetary provision. The Minister also outlined for the committee 1997-98 initiatives including an increase in the number of public libraries with Internet access and the continuation of the \$2m two-year upgrade of the State Library mainframe computer.

Queensland Cultural Centre Trust - The committee queried the Minister as to the lack of reference in the budget documentation to the earlier announcement that provision of \$10m had been made in the 1997-98 budget towards a \$300m Queensland Cultural Heritage Centre (QCHC). The Minister responded that in December 1996 Cabinet gave in principle endorsement for a development strategy for a further stage of the Queensland Cultural Centre to be undertaken, but that the result of this development strategy was not finalised prior to the development of the 1997-98 budget and therefore the QCHC was not included in the budget documentation.

However, the Minister also advised the committee that to ensure the continued extension of the Cultural Centre, including the QCHC, \$10m has been set aside in

the Treasurer's Advance Account. The committee notes that in an answer to a question on notice, the Minister outlined some of the provisions to be made from that contingency account in 1997-98 and that whilst no specific reference was made to the QCHC the Minister stated at the hearing that the wording of that answer did adequately cover the QCHC.

7. DEPARTMENT OF ECONOMIC DEVELOPMENT AND TRADE

7.1. OVERVIEW

The committee has studied with interest the progress of this department which was established in 1996 and which has received a funding increase of approximately 24% for 1997-98. Adjustments to departmental structure during this fledgling period have resulted in the Project and Investment Development Division program being divided into two separate programs: Major Project Facilitation and Investment Attraction.

At the hearing the Minister reassured the committee of the need to have a separate Department of Economic Development and Trade, stating that whilst DEDT works closely with some other departments, it has a specific role in relation to trade, facilitation and planning of major projects and co-ordination.

The Minister also advised the committee that, due to demand for assistance in regional Queensland, more effort is being put into exporting education and contact at regional levels. This includes the establishment of regional offices in Gladstone, Mackay, Cairns and shortly Townsville.

An area of concern to the committee was the apparent decline in growth in Queensland's industry exports in the successive quarters of 1996-97 meaning that in order to equal last financial year's exports of \$13.6b, it will be necessary for the current June quarter exports to be in the vicinity of \$3.6b. At the hearing, the Minister explained that this decline could be due to a number of factors including:

- a downturn in the value of most products in the rural industry which has been affected by drought and a fall in commodity prices;
- a high Australian dollar;
- increased competition in the export market from other Australian states, Europe and America; and
- the economic effects of industrial laws on manufacturing sector confidence including workers compensation and dismissal laws.

7.2. PROGRAM INITIATIVES

Matters relating to the specific programs and particularly noted by the committee are discussed below.

Development Planning - The Minister explained that the 1996-97 budget estimate of the organisation of five conferences under this program were not met as a re-organisation in September 1996 meant that this responsibility was transferred to the Trade Development Program. The Minister also provided further information as to what meetings, conferences and workshops had been organised by the department during the year.

One of the planned activities under this program for 1997-98 relates to the recent rapid growth in Gladstone which has highlighted the need for a broad strategy to plan industrial development and the associated infrastructure development.

Major Project Facilitation - Major projects in relation to which the committee questioned the Minister as to his department's on-going role included:

- the PNG to Queensland gas pipeline project (Chevron) which the Minister advised is a major potential benefit to the establishment of industry along Queensland's coast;
- the development of the Brisbane cruise ship terminal; and
- the Cloncurry infrastructure needs study which is designed to identify the infrastructure and planning needs required in association with the development that will take place in the area.

Investment Attraction - The aim of this program is to increase Queensland's profile as a competitive investment location. Therefore, the committee recognises the importance of the 1997-98 plans to commission an independent organisation to carry out an evaluation of investment attraction performance indicators for 1996-97.

Trade Development - The committee notes the Minister's estimation that export development and promotion initiated through this program assisted or facilitated Queensland firms to generate export sales of more than \$618m through to June 1997.

Given the recent opening of offices in Shanghai, Jakarta and Semarang, the committee queried the Minister at the hearing regarding steps taken to ensure that Queensland maintains its market share with its traditional trading partners. In response, the Minister referred to the Los Angeles office which was re-opened last year and the well-established office in London which has an umbrella over Europe. Apparently these offices heavily promote Queensland's potential as a cost-effective base for Australian trade or as a service base to Asian markets in these markets.

At the hearing the Minister also:

- highlighted the importance of education to overseas students in Queensland which last year amounted to \$498m in fees. This represented twice the value of Queensland's wool and wheat exports;
- explained the substantial delays in Queensland Trade Assistance Scheme drawdowns by Queensland firms in 1996-97 as often being

due to firms having difficulty meeting milestones on their planned project schedules with consequential delays in making claims; and

- explained the appointment, functions and payments to the Special Queensland Trade Commissioner. An allocation of \$300 000 has been made for the Commissioner's activities in 1997-98.

Corporate development - The Minister explained to the committee that the \$5.651m increase in the estimated expenditure for corporate services from the 1996-97 budget to \$10.002m in 1997-98 was due to the inclusion of a Director-General's Advance of \$5m.

The Minister also advised the committee that this advance will be used to support initiatives such as:

- the regional international trade development program;
- the Chevron project;
- the magnesium industry development;
- satellite industry development; and
- the Institute of Molecular Bioscience.

Further, the Minister advised the committee that allocations from this advance (and the results achieved from those allocations) will be fully reported.

The committee also notes that the service arrangement whereby the department shares corporate service facilities with the Department of the Premier and Cabinet (at a cost of approximately \$4.9m in 1997-98) will be reviewed and renegotiated in 1997-98.

8. CONCLUSION

The committee notes that again sessional orders relating to the conduct of estimates have changed certain procedures. Most notably this year direct questioning of public officials was not permitted. New sessional orders were also introduced in relation to questions on notice prior to the hearings.

The committee stresses the value of the provision of information in response to questions on notice. However, in this regard the committee must state that in order to afford Mr Speaker and Ministers reasonable opportunity to fully answer these questions, sufficient time must be allocated between the introduction of the appropriation bills and/or the adoption of estimates sessional orders, and the time set for the committees' hearings.

This year the adoption of sessional orders on 4 June 1997 required Estimates Committee A to hold its hearing on 10 June 1997. With three non-business days during this period, the committee had in effect three days to meet, determine

questions on notice and receive answers to those questions (which in accordance with the sessional orders had to be received at least 24 hours prior to the hearing).

The committee stresses that provision for reasonable time-frames needs to be borne in mind for future estimates processes.

Particularly in light of the time pressures involved this year, the committee appreciates the time and effort that all Ministers and departmental officers have expended in the estimates process .

The committee has agreed to the proposed expenditures referred to it, without amendment.

9. RECOMMENDATION

The committee recommends that the proposed expenditure be agreed to.

Luke Woolmer MLA
Chairman

STATEMENT OF RESERVATIONS - ESTIMATES COMMITTEE 'A'

Despite claims by the Premier that the Estimates process in 1997 would be even more open and accountable than has previously been the case, in actual fact the new Sessional Orders agreed to by the Parliament with the support of the Independent Member for Gladstone, have succeeded in achieving quite the reverse.

Not only do the new Sessional Orders substantially limit the ability of the Parliament to make Government, Ministers and Departments accountable, especially by removing the right of the Opposition to directly question public servants, and to request specific officers to attend, there has been a deliberate attempt by the Chair of Estimates Committee "A" to subvert the process further by improperly using Sessional Order 25 (4) to strike out sections of a number of Questions on Notice lodged by the Opposition.

The Questions concerned, and the sections struck out from them by the Chairman hardly "place unreasonably onerous research requirements on departments" to provide responses within the time specified.

In the circumstances it would be fair to say that the Chair in his actions in this regard played a partisan role unbecoming of the usual independence of Chairs of Estimates Committees, and in doing so has called the whole process into question and disrepute.

Correspondence sent privately by the Opposition to the Chairman outlining the objections to his actions is appended as an attachment to this Dissenting Report.

The specific questions involved are as follows:

"A. Premier

2. In relation to the *Annual Report 1996/97* produced by the Government, entitled *Your Queensland*:

- How many copies of the document were produced?
- What was the cost of:
 - . the Editorial and drafting process;
 - . production; and
 - . distribution
- What are the names of those on the Editorial Committee for the

project?

- Does the Premier and the Premier's Department confirm all statistical information provided in the *Annual Report 1996/97* or have errors been determined, and if so, what are they?

3. In relation to page 4-23, and 4-24 of the MPS regarding the Regional Services Program:

- What is the precise nature of the Capital Works Monitoring System identified in the Budget?
- What is the Budget for this initiative, and how will the money be spent?
- How many officers will be involved in the monitoring of the implementation of the 1997/98 Major Capital Works Program in Central and North Queensland?
- How many officers were so involved in monitoring of the 1996/97 Major Capital Works Program?
- In relation to the 1996/97 Program, which projects were under spent in Central and North Queensland according to officers of the Regional Services Program, and for what reason in each case?

4. In relation to page 4-33 of the MPS concerning the Ethnic Affairs Program:

- Why, if the review took place between June and October 1996 has the Report not been tabled?
- In light of the MPS Statement that the Review would be tabled in Parliament this year, what is the reason for the delay?
- Can the Premier at this stage, provide details of the major findings of the Review?

5. In relation to page 4-38 and 4-39 of the MPS regarding the State's Strategic Plan, the State Economic Development Strategy, the State Social Development Strategy, the Rural and Regional Development Strategy, the Environment Management Strategy and the Government Management Infrastructure Strategy:

- Why has there been an inordinately long delay in releasing these documents?
- At what stage is each of them currently at?

- Who is the senior officer involved in the revision or preparation of each document?
 - Has the previous Government's *Leading State* document been fully utilised in the work being undertaken.
6. In relation to page 4-26 of the MPS regarding regional offices of the Premier:
- What is the designation and classification of each staff member for the offices in Townsville, Mackay, Rockhampton and Cairns?
 - What is the position description for each of the positions concerned?
10. In the light of the 15% increase in complaints to the Parliamentary Commissioner of Investigations in the two years to 1997/98:
- What is the current level of the case backlog, and how does it compare to last year?
 - Did the engagement of temporary personnel referred to in last year's Estimates Committee make an impact on the backlog?
 - What resources would be needed to eradicate the backlog within a reasonable period (say two years)?

B. Deputy Premier, Treasurer and Minister for the Arts

2. With reference to Sub-Programs in the Arts at page 60 of the Ministerial Program Statements:
- What are the details of estimated expenditure within each sub-program for the 1996/97 Budget and the 1997/98 Budget, including details of grants to each major Arts organisation, and grants to each area of the Arts?
6. With reference to the Economic Enhancement Program (MPS p.24):
- Will the Treasurer provide details of any advice received regarding altering the debt/equity ratio for Queensland's electricity industry?
 - What will be the aggregate level of annual repayments for the additional \$850 million on debt proposed upon the electricity industry?

(The shaded areas signify the questions edited out by the Chairman of Estimates

Committee "A")

We also believe that the amendments to the Sessional Orders removing the right of Members to seek specific public servants to appear before the Committee is a major retrograde step, and has been a deliberate ploy to provide as little specific information as possible to the Parliament.

The Committee was faced with the spectacle of the Premier and Treasurer reading most answers from prepared briefs which often did not appropriately take into account the questions asked; provided as little information as possible in response, and in doing so, made a mockery of accountable Government.

The Premier and Treasurer left the impression that they were either not across much of the detail of their portfolio responsibilities, or alternatively, wanted to use up the time allotted to them for answers by reading large amounts of selectively prepared information into the record, much of which was not required by the Committee.

We deplore in particular, the actions taken in approving travel overseas for a number of public servants who should have been in attendance at the Estimates Committee - and available for questioning.

Legislative Assembly - Parliamentary Service

Whilst we applaud action being taken to further improve services in the Parliament, both for Members and for staff, and particularly to provide training for attendants and other officers of the Parliament, we are very concerned at the state of the Parliamentary buildings which, on the basis of testimony before us, need substantially more funding both for interior and exterior work, than has been provided this year and ongoing years.

The Parliament building is one of major historical and heritage significance to the State of Queensland, and failure to maintain it in appropriate repair is highly detrimental to a major natural asset, and in the long term will cost immeasurably more for upkeep and repair.

We are also concerned about the resourcing of Committees of the Parliament.

Once a decision has been taken to establish specific Committees of the Parliament, it is inherent on the Government and the Parliament to ensure that the appropriate resources are made available, otherwise the original decision based on the requirement for specific Committees is negated.

Estimates Committee "A" next year should pay specific attention to the resourcing of Parliamentary Committees.

We note the Speaker's advice that he remains of the view that the Opposition budget should come under his responsibilities, rather than under the responsibilities of the Premier. Whilst some useful changes to arrangements for the Opposition budget have occurred in the past six months, in light of the

Speaker's comments, we believe it would be useful for further discussions to take place on this matter between the Premier, the Speaker and the Leader of the Opposition in a bipartisan way, so that these issues are kept under review, and recent changes monitored.

Non-Government members are concerned that the Speaker has no plans and seems apparently unconcerned about the lack of women in the senior management levels of the Parliamentary Service. The Speaker appears to be thumbing his nose at the bi-partisan support in the parliament for EEO policies in the government.

Office of the Governor

We wish to take the opportunity of this report to extend our appreciation, and to thank Her Excellency, for her outstanding contribution to public life in this State during her term of office.

Parliamentary Commissioner for Administrative Investigations

We are seriously concerned at the evidence given by the Parliamentary Commissioner, Mr. Albietz, that there has been a backlog of over 1200 cases since he became Parliamentary Commissioner six years ago, and his acceptance of statistics provided by the Opposition, namely that there has been a 15% increase in outstanding complaints over the last financial year, that there are currently 1826 outstanding complaints, and that it is likely that 3750 new complaints will be lodged in 1997/98.

Mr. Albietz has told the Committee that additional resources are needed, and this is obviously becoming a desperate situation. The people of Queensland are entitled to appeal matters of concern to them to the Parliamentary Commissioner, and if Government does not make appropriate resources available, then the rights and privileges of the people of Queensland are substantially and detrimentally affected.

The answers of the Parliamentary Commissioner made it clear that the staff of his Office are confronting an unconscionable workload. Mr Albietz cited the New Zealand Ombudsman as a 'best practice' benchmark. In that office, each staff member has a case load of a maximum 60 cases, whereas Queensland investigative staff have a caseload of 120 to 150. Little wonder there is a 60% rate of staff turnover in the office - a turnover which would place additional stresses on the remaining staff.

Mr Albietz also made it clear that the provision of extra resources on a short-term, temporary basis is no substitute for an ongoing injection of substantially more resources. The Premier's scripted defense of his failure to deliver adequate resources to the Ombudsman ignored the points that his Parliamentary Commissioner had been making to the Committee only minutes before. For example the Premier 'hoped' that the provision of one permanent and one temporary investigator would "further reduce or tackle the backlog of complaints" (Hansard p.12), when Mr Albietz had already stated "...I anticipate the backlog will

increase by 100...". (p.11).

Non-Government members call on the Premier to utilise the opportunity of the mid-term budget review to reallocate sufficient resources to ease the workload on existing staff, and return the Ombudsman's Office to a level of service provision which the public could reasonably expect. For example, extra resources for the Ombudsman could be derived from cancellation of the UK Study tour for senior public servants.

We also believe that it is inherent on the departments named by the Parliamentary Commissioner and their respective Ministers, namely Corrective Services, Education and Health - to further review with the Parliamentary Commissioner the reasons for the large number of complaints being directed towards them.

Queensland Audit Office

We were impressed by the continuing work that has been done on improving security and other issues within the Audit Office and believe that during next year's Estimates, specific attention will need to be focussed on the review which is currently being undertaken, and the recommendations of that review, and presumably the implementation of those recommendations, will have taken place by the time of next year's budget.

We note the Premier's statement that the policy of the Government is "clearly to maintain the independence of the Office of the Auditor-General" and note also the "devastating" effect on the operations of the Auditor-General where the recent changes to the Office of the Auditor-General in Victoria by that State Government were to be adopted in Queensland.

We believe that it is essential that this situation be closely monitored, and that the Parliament through close and continuing scrutiny, must always ensure the absolute independence of the Auditor-General. This is vital to the independence of that office, and to the effective management of departments of State and of Queensland's budget.

Non-government Members were also concerned that the State Government had limited the responsibility of the Auditor-General with respect to audits of entities controlled by public sector bodies. In particular, the Government's refusal to allow the Auditor-General to audit Suncorp-Metway where almost 70% of that entity is controlled by the public sector is of particular concern as public sector entities are increasingly engaged in partnerships with the private sector in the delivery of services.

Department of Premier and Cabinet

1. "Your Queensland"

We do not accept that funding allocated for a political document is appropriate, and despite the Premier's continued attempts to portray the "Your Queensland" document as an Annual Report "to the people of Queensland" it is clearly a very

biased political document, designed to promote the Borbidge/Sheldon Government, and does not accurately report on decisions of the Queensland Government because, in fact, it is riddled with inaccuracies and blatantly incorrect information.

In questioning in Estimates Committee "A" the Premier continued to skirt questions about the voracity of the information in that document; would not indicate who had final editorial approval of the material in it; and whilst admitting that the material had been verified with departments on two occasions and with the Treasury, did not commit himself to a statement that the Government stood by the material in the document.

The Opposition has continually pointed to blatant inaccuracies throughout the document, and no citizen of Queensland can accept the information in it as a properly audited "Annual Report" of the State.

We do not believe that the Government should attempt to publish a similar document next year.

2. Visiting Dignitaries

In relation to the visit to Australia by the German Chancellor Dr. Kohl, we are not convinced that the criticisms of the Premier's Department outlined by the Douglas Shire Mayor in the *Port Mossman Gazette* of Thursday, 8th May, 1997 have been adequately answered by the Premier, and believe that the Office of the Premier's Department should undertake further consultations with the Douglas Shire Mayor on this matter.

In recent months a number of Heads of Government and Foreign Dignitaries have visited Port Douglas, and they should be accorded appropriate organisation of any events on behalf of the people of Queensland.

The public comments by Councillor Berwick are a concern, and need to be addressed further.

3. Regional Offices of the Premier and Ministers

We are concerned at the lack of supervision of the location and administration of offices by the Premier.

The Premier advised the Committee in response to questions, that each Minister determined arrangements in respect of Ministerial offices, and he was given opportunities to indicate that he provided a supervisory role as Premier of the State. It was clear from his answers that this does not occur, despite the Premier indicating (p.27) that the transfer of responsibilities to his portfolio from that of the Treasurer was to improve the supervision of Ministerial expenditure.

Given the considerable and increasing resources of funding and staffing that have been utilised, we would like to see the Premier playing a greater role in such supervision.

Of particular concern is the siting of a Premier's Office and an Office of the Minister for Families, Youth and Community Care in Cairns.

Given scarce resources, we believe it would be more appropriate, (if indeed there is funding for two offices) for one of those to be sited in another region of the State, or alternatively, for the resources of the second office (namely that of the Minister for Families, Youth and Community Care) to be put into much needed assistance to the community through the Department of Families, Youth and Community Care.

4. Westwind Aircraft

In response to a question about the replacement arrangements for the Westwind Aircraft, the Premier spent the time allocated to him for the answer giving details of the Kingair Aircraft (which was not requested) and culminated his answer in saying that "no decision has been made in respect of replacement of the Westwind II Aircraft".

We believe that the Government should make an early announcement in relation to this aircraft given that there has been some concerns expressed about the ageing of that aircraft, and obviously because of the medical use to which it is put, it would be appropriate that the Government indicate the options available to it and timing required in relation to the future of the Westwind II Aircraft.

We also note the further blow-out in the budget for the Government Airwing, especially given the Premier admitting flying hours had increased despite a substantial decline in the number of actual hours allocated for organ retrievals. This means that whilst there has been an increase in the budget, that it is required for ministerial travel rather than for medical purposes, and that expenditure for 1996/97 year had exceeded the allocated budget by almost \$600,000 or 35%. In addition, the Premier also revealed Ministerial budget blowouts for charter flights and domestic and overseas commercial travel.

5. The Public Service - UK initiative

Whilst we understand the need for appropriate training with programs within the Public Service, we were astounded to note the allocation of \$4.5M over the next three years to send fifteen senior bureaucrats to the United Kingdom, and that the Government is considering similar study programs to the United States, Europe and New Zealand.

This extraordinary proposal is simply unacceptable, and is a gross abuse of the Premier's Department budget and an extraordinary extravagant waste at a time when the Queensland Budget is \$99M in deficit.

Where there is great need elsewhere in the budget, for example, additional teachers, police and nurses, the Ombudsman's office or for job creation programs - each of five bureaucrats is to be given \$300,000 each for a year long jaunt in the United Kingdom.

Each will receive a \$300,000 allowance to cover travel, living, administrative and

study costs.

In response to questions, the Premier simply read from briefing notes, but the public reaction to these grants should have alerted the Premier to a major problem with them, and we believe he should review the scheme immediately.

In a general comment on Public Service management, we are critical of the very low targets set by the Government in placing women into the middle and senior management positions of the Public Service.

6. Native Title - Legislative responsibility

We do not accept the assertion that the Minister for Natural Resources should take part in decisions on this matter on relevant issues in Cabinet deliberations because of his substantial conflict of interest.

We do not accept the Premier's assertions in relation to this issue.

7. Office of Indigenous Affairs

As indicated by the Shadow Minister during the Estimates Committee "A" hearings, it is extraordinary that a budget was committed last year for \$500,000 which has not been spent, and debate is apparently still going on within the department, and within the Government, about whether to appropriately establish that office.

We believe that the cursory nature of the Premier's answers in relation to this issue, and the documentation provided to the Estimates Committee, indicate a complete lack of priority in this area by the Government and by the Premier.

8. Parliamentary Secretary to the Premier

Through questions on the day and the answer to a Question on Notice provided after the Estimates Committee "A" hearings, the Premier has been unable to substantiate the specific achievements of the Parliamentary Secretary, nor clearly delineate the role that the Parliamentary Secretary's office plays in North Queensland.

We believe as mentioned in a previous section of this Dissenting Report that too little supervision of these issues has been accorded by the Premier.

9. Bureau of Ethnic Affairs

We are very concerned that insufficient priority has been given to policy issues and service provision for ethnic communities in Queensland.

The priority accorded the Bureau of Ethnic Affairs within the Premier's Department must be seriously questioned, especially since the Premier's own Ethnic Affairs Ministerial Advisory Committee has complained that the Premier has failed to act on a Report that he ordered in June last year, and which was delivered to the Government some nine months ago.

At a time when enormous divisions have been opening in Queensland society because of the activities of the Member for Oxley, the administration of ethnic affairs is vitally important.

We question whether the Premier has given it his major priority, and it appears to us that the Bureau has been somewhat lost in the Premier's Department bureaucracy, especially since the Ministerial Advisory Committee Report has not been acted upon.

The Report which cost \$15,000 recommended two major changes, namely: (a) a change in philosophy and policy direction, together with a reinvigorated public commitment to multi culturalism as a means to social cohesion; and (2) the creation of new structures through which ethnic affairs will be administered in Queensland.

It is incumbent on the Premier who has Ministerial responsibility at present for ethnic affairs to either take a closer personal interest in this matter and specifically address the report of the Committee and other outstanding issues, or alternatively, to give Ministerial responsibility to a separate Minister who can devote priority to a vital area of public policy in Queensland.

10. Breaches of Guidelines in the use of Credit Cards by Ministerial Staff

In the answers to Questions on Notice circulated by the Estimates Committee "A" Secretariat on behalf of the Premier's Department on 17th June, 1997 this question is dealt with in the following way:

"MR BEATTIE asked the Premier:

Have there been any breaches of guidelines from the use of Corporate Credit Cards by Ministerial Staff?

Answer:

There have been a number of breaches of the Guidelines for the Financial Management of the Office of the Minister relating to credit card usage by the former government and the current government. These breaches are relatively minor in nature in that they essentially amount to administrative non-compliance.

There have been two types of breach:

- . use of the credit card for personal expenditure. In all cases the expenditure is either paid directly to American Express by the Officer concerned, or the expenditure is paid by the Ministerial Services Branch and recovered from the Officer; and*
- . incurring official expenditure of a Minister on an official corporate credit card. In all cases, expenditure of the Minister is separately identified and charged to the Minister's cost centre."*

The actual question asked by the Leader of the Opposition, and outlined on page

29 of Hansard reads as follows:

“MR BEATTIE: Mr. Premier, in relation to your responsibilities for the MSB, can you advise whether any staff of any Minister have utilised accommodation, travel, Amex cards or fuel cards contrary to the guidelines on any occasion and, if so, what are the details?”

The Premier dealt with this partly in his answer from the Estimates Committee “A” hearing, and agreed to provide further details of breaches.

The answer supplied is a cursory one and hides, it would seem deliberately, the specific instances.

The full details should be provided to the Parliament, especially in the light of breaches since uncovered in the use of credit cards by Chief Executives of Departments.

It would seem that this is a further example of the lax administration of Government by the Premier and Ministers and the Parliament is entitled to a full explanation of any breaches that have occurred, rather than a cursory wiping of the hands by way of a generalised answer such as that provided to Estimates Committee “A”

11. Conclusion

In all, we were dismayed that the Premier, through constantly reading detailed briefs in answer to questions rather than dealing with specific questions personally from his own experience as Premier and responsible Minister, and through answers which indicated a very loose administration of Government and supervision of other Ministers, has displayed a lack of leadership and responsibility.

Treasury Department

1. General

Last year non-government Members were critical of the Treasurer’s reluctance to answer questions which related to the overall management of the Budget.

Regrettably, the Treasurer repeated this behaviour during this year’s Estimates hearing.

Questions in relation to overall spending and the delivery of the Capital Works program were challenged by the Treasurer on the grounds that they related to departments other than Treasury. Non-government Members were forced to remind the Treasurer that at page 6 of her Ministerial Program Statement it was stated that the Resource Allocation and Management Program *“is responsible for the management of the State Budget”*. The lack of co-operation on the part of the Treasurer in these matters undermines the effectiveness of the Estimates Committee hearings and flies in the face of proper Ministerial accountability.

2. Budget Deficit

Non-government Members note with concern the dramatic turn around in State Government sector finances such that the 1997-98 Budget contains a deficit of \$99m compared to a surplus of \$567m (1996-97) and \$1466m (1995-96).

3. \$850m Electricity Borrowings

Non-government Members are particularly concerned by the Treasurer's use of one-off sources of funds such as asset sales, as well as borrowings to boost budget outlays.

The decision to direct the electricity industry to raise an additional \$850 million in debt and transfer that \$850 million into Consolidated Revenue is particularly alarming as it appears that some of these funds are being used for current outlays and not only for capital outlays as suggested in the Budget Paper No.2.

Non-government Members noted that estimated capital outlays are expected to increase by only \$443.1m in 1997-98 while one-off funding sources and the money extracted from the electricity industry will boost revenue by \$900m in 1997-98.

4. Capital charges on Hospitals

The Treasurer refused to respond to a question about the rate of Capital Charges imposed on additional Hospital Capital Works on the basis that it was a matter of 'revenue' and not 'expenditure' the scrutiny of the latter being the apparent purpose of the Estimates process. Such an argument ignores the fact that part of the expenditure of the Treasury portfolio is expended to support the collection of revenue.

Nevertheless, a subsequent answer by the Minister for Health to his Estimates Committee clearly indicated that the capital charges represent interest payments on the capital provided by Treasury. It would seem therefore that those \$500 million of capital works for which capital charges are required are being funded by Government borrowing.

The Government's core fiscal parameters include a policy to "*restrict borrowing to infrastructure projects able to service the debt*". In this case the ability to service the debt has been determined by the ability of Treasury to strip recurrent funding from Hospital budgets. The Government should articulate a clear policy on its approach to debt funding of the Budget, as to date we have discovered over \$1.3 billion in debt which has been covertly accrued to prop up what would otherwise be unfunded expenditure.

5. Unemployment And Jobs

Non-government Members drew attention to the failure of the Government to meet the 2.5% employment growth forecast for 1996-97 and questioned a similar forecast for 1997-98. They also drew attention to the failure of the Government to achieve the 9.3% average rate of unemployment in 1996-97. The rate of unemployment for 1996-97 having been revised upward to 9.7%.

Particular attention was drawn to the claim by the Treasurer that “50,000 new jobs” would be created in Queensland in 1997-98 while on the Treasurer’s own budget forecast 2.5% jobs growth would render only 38,600 additional jobs. The Treasurer’s explanation of this discrepancy to the Committee was that we were “mixing up two sets of figures” and that the 50 000 referred to the “total capital works expenditure of \$4.2 billion” (p.43).

This claim stands in conflict with Budget Paper No. 4, page 6, which states that the 50,000 jobs figure only included 4,530 jobs from the Capital Works program and the rest would be created through economic growth. The Treasurer was also quoted in the Gladstone Observer one week after the hearings (17/6/97, p.7) as clearly indicating that the 2.5% employment growth forecast translated into 50,000 jobs over the course of the year. Accordingly, we believe our original point stands and that there is a clear contradiction in the Budget Papers between the rate of employment growth and the number of new jobs claimed in the Budget.

6. Accuracy Of Budget Presentation

Non-government Members were concerned that there were apparent discrepancies in the Budget Papers.

At p.41 and p.51 of Budget Paper No.2, estimated receipts for Gaming Machine Tax in 1997-98 were stated as \$95m. However, on p.206 the estimated revenue from Gaming Machine Tax was stated to be \$99.1 million.

While the Treasurer claimed that the figure on p.206 included anticipated revenue from Keno, and that Keno receipts were included in the “Other Taxes” category on p.41, non-government Members consider such inconsistent reporting of receipts in the Budget Papers to be both regrettable and misleading.

7. Teacher Numbers

Non-government Members consider the Treasurer’s claims regarding the Budget’s impact on teacher numbers particularly misleading.

In her Budget Speech (Budget Paper No.1, p.18) and in Budget Paper No.4, p.6, the Treasurer stated that the Budget provided “1022 extra teachers”.

When questioned by non-government Members as to the accuracy of this claim in light of the Ministerial Program Statement for the Minister for Education which disclosed that the Budget provided for a net increase of 868 teachers, the Treasurer asserted that the information contained in her Budget Speech came from the Education Department.

Following further questions, the Treasurer asserted that she referred to new teachers and when challenged by non-government members, the Treasurer claimed that she had stated 1022 new teachers in her Budget Speech.

Non-government Members pointed out that there is a clear difference between providing for 1022 extra, or additional teachers and what the Treasurer was now

claiming i.e. the Budget provided for 1022 new teachers.

Furthermore, non-government Members produced copies of the Budget Papers and the proof Hansard to refute the Treasurer's claim that she had referred to "1022 new teachers" in her Budget Speech. As it turns out the speech delivered by the Treasurer in the Chamber referred to "1022 new teachers" at one point and "1022 new extra teachers" shortly afterwards.

Non-government Members consider the Treasurer's conduct in relation to this matter to be reprehensible and designed to deliberately mislead the Estimates Committee.

Arts Office

1. \$300 million Cultural Heritage Centre Hoax

On 5 April 1997 Arts Minister Sheldon was reported in "The Courier Mail" as announcing plans for a \$300 million Cultural Heritage Centre for the Brisbane South Bank arts and entertainment precinct.

The article reported that "finance to start the project will be allocated next month by Treasurer and Arts Minister, Joan Sheldon, when she brings down the State Budget".

The Budget Papers make no mention whatsoever of this project. It is now clear that the announcement in April 1997, as an exclusive story to "The Courier Mail" was a hoax by Arts Minister Sheldon designed to distract attention from a story on substantial job losses as a result of the Suncorp-Metway merger.

The Arts Minister's media manipulation was successful in the short term in that "The Courier Mail" gave the front page headlines on 5 April 1997 to the "Plan for \$300m Heritage Centre" and relegated the story on the job losses from the Suncorp-Metway merger to page 3.

In order to explain away the total lack of express provision for this project in the State Budget, Arts Minister Sheldon has claimed that \$10 million has been provided towards this project in the Treasurer's Advance Account.

This explanation lacks credibility. The Treasurer's Advance Account makes provision for natural disasters, and for contingencies. It is hardly the appropriate place for a very significant allocation of \$10 million towards a \$300 million total project.

Arts Minister Sheldon has given inconsistent explanations about this matter. She told Parliament on 5 June 1997 (Daily Hansard, page 2242) that \$10 million from the Treasurer's Advance Account would be used for planning of Stage 6 of the Queensland Cultural Centre, including architectural design, though she gave no explanation as to why such a major project was omitted from the Ministerial Program Statement.

By contrast, Arts Minister Sheldon made no reference to any proposed spending

towards a \$300 million Cultural Heritage Centre in her answer to Question on Notice A6 from Estimates Committee A. This suggests that no such provision had in fact been made in the Treasurer's Advance Account and the announcement by Arts Minister Sheldon of an \$10 million allocation is a political decision taken after the event in order to cover her embarrassment at being caught out in her hoax on "The Courier Mail" over the proposed project.

2. Job Losses in the Arts Portfolio:

Twenty-three further jobs are to be lost in the Arts Portfolio, as indicated in the Ministerial Program Statement (page 61, footnote (c)).

This is on top of the 17½ positions already lost from the Queensland Museum. This latter figure was not disclosed in the Budget Papers. The method of reporting staff levels for the museum was changed in a way which tended to mask these job losses. In the 1996-97 Ministerial Program Statement (page 59), the staffing levels at the Queensland Museum were identified as 131 administrative positions. In the 1997-98 Ministerial Program Statement (page 60), the number of administrative positions is listed at 245, including both Public Service positions and Queensland Museum Board employees. This effectively masked the reduction in Public Service staffing levels from 131 positions to 113.5 positions.

Thirteen attendants took voluntary early retirement packages. A further 29 casual staff employed as Interpretation Officers to provide school workshops and information to the general public lost their positions and were re-employed on less pay as Visitor Service Officers. This has meant a pay reduction of over 25 per cent from \$15.32 per hour to \$11 per hour. It also indicates a downgrading of information given to the public and has caused serious concern among museum staff. This is a backward step. Museums need to be user-friendly and to make their information accessible to the public.

It was disturbing to note that the Minister was unable to specify in what areas of the Arts portfolio the further 23 job losses were to occur. It seems most likely that they will occur in the State Library, Queensland Art Gallery or Queensland Museum as these are the areas directly affected by the Corporate Services Review undertaken by the current Government.

It was also disturbing that the Minister gave inconsistent information as to when there would be an answer on the location of the job losses. In the Ministerial Program Statement (at page 61) it was reported that "planning processes are currently in progress and will be determined by 30 June 1997", but in evidence before the Committee, Arts Minister Sheldon said that the date for determining this was not certain.

3. Massive Implementation Cost of Arts Portfolio Restructure - \$6.8 million

Arts Minister Sheldon has indicated that \$6.8 million is to be spent on implementing the restructure of the Arts portfolio.

Despite repeated questioning on this subject during her appearance before the

Budget Estimates Committee hearing, Arts Minister Sheldon refused to reveal the basis for calculating the \$6.8 million to be spent, saying that such information was “confidential”. The Arts Minister’s refusal to answer questions on this matter indicates a contempt of the Parliamentary process of Budget scrutiny, and an arrogant refusal by the Crown to respect Parliament’s power of the purse.

What is particularly disturbing is the revelation by Arts Minister Sheldon to Parliament on 5 June 1997 (Daily Hansard, page 2242) that “the \$6.123 million allocated for implementation of the Corporate Administration Agency is a recoverable loan that is to be repaid by the Arts Office and the CAA over time, that is, it will not cost the Government money”. This indicates that it will be a drain on future Arts budgets, to the detriment of support for the arts in Queensland.

Arts Minister Sheldon refused to indicate over what period of time the loan was to be repaid. Even if it were to be repaid over a six-year period, for example, this would entail savings of over \$1 million per year, which suggests further significant job losses.

The secrecy surrounding the basis for the \$6.8 million expenditure and the lack of information about the term of the recoverable loan raise serious questions about job security and future levels of service in the Arts portfolio.

4. Breach of Election Promise of \$5 million boost for Regional Libraries.

In a Media Release dated 24 June 1995, (and tabled in Parliament on 4.12.96) Coalition Leader, Rob Borbidge, made a promise of an extra \$5 million for Regional Libraries. This promise has been sadly broken.

Tabled during the Estimates Committee hearing was a memorandum from the Director of the Public Libraries Division dated 19 November 1996, indicating that, “as a result of reductions to the Public Libraries Division budget, combined with significant growth in use of services, it will be necessary to decrease the levels of service provided”.

The memorandum set out clearly the drastic effects of the cuts:

“The following changes are now being instituted:

Suspension of the evaluations of independent public libraries;

Deferral of the rewrite and upgrading of the QUOLLS circulation system provided to Country Lending Service libraries;

Suspension of loans of large print books to all independent libraries;

Suspension of loans of talking books for the visually impaired to all independent libraries;

reduction of the number of book exchanges to Country Lending Service libraries with populations greater than 7,000 from four to three a year;

No new libraries or local governments to be incorporated into the Country Lending Service.

The decrease in book funding also means that plans to increase Country Lending service bookstock levels are deferred.

In addition, funding has been withdrawn for the following initiatives, which have now been placed on hold:

Establishment of a Northern Branch of the Public Libraries Division;

Formation of an Aboriginal and Torres Strait Islander Unit in the Northern Branch to facilitate the establishment of library services in Aboriginal and Torres Strait Islander communities;

Provision of multi-media microcomputers to Country Lending Service libraries to facilitate CD-ROM and Internet access.”

Far from boosting regional library services, the 1996/97 Budget was a major set back for regional library services.

The 1997/98 Budget restores the Labor Government's initiative (scrapped in last year's Coalition Budget) regarding library and information services for Aboriginals and Torres Strait Islanders in remote communities at a cost of \$300,000.

The so-called \$1.7 million increase in regional library bookstock funding merely restores the status quo before last year's savage budget cut. The State Library through its Public Libraries Division provides funding for the purchase of book stock in independent public libraries run by local governments throughout Queensland. This funding is based on a formula which takes into account CPI and population growth. It thus increases at about \$700,000 per year.

In the 1996/97 Budget, base funding of \$1 million was removed, resulting in a net loss of \$279,000 to local governments operating independent public libraries. In this year's budget, that \$1 million has been returned, together with the \$700,000 growth through CPI and population increase, resulting in a net \$1.7 million increase in funding over last year, which effectively returns regional library book stock funding merely to its previous level taking into account inflation and population growth.

In the 1997/98 Budget, \$1.235 million is tagged to diffusion of Internet services (Daily Hansard 5.6.97 page 2241). This is a welcome move, but falls far short of the extra \$5 million promised by the Coalition.

It is very disappointing that in this budget the Coalition has again failed to honour its pre-election promise of an extra \$5 million for regional libraries.

5. Underfunding of the Queensland Art Gallery

The Queensland Art Gallery is seriously underfunded in the current Budget. Despite the critical and popular success of major initiatives such as the Asia-

Pacific Triennial , the Coalition Government has provided only \$9.167 million for 1997/98, over \$300,000 less than the \$9.471 million provided in the Labor Government's 1995-96 Budget.

This has prevented the Art Gallery from digitalising its images so that they might be made more accessible via the Internet or through the development of a CD-Rom.

This serious underfunding of the Queensland Art Gallery shows a disappointing lack of priority given to the visual arts by this Coalition Government.

Office of Women's Affairs

Non-Government Members believe the Women's Affairs Budget Outlook is lacking in detail on specific initiatives and funding commitments with respect to specific women's programmes for example, health.

The Women's Budget Statement is designed to have the appearance of a lengthy and significant document by the inclusion of specific programmes such as Landcare, Sheep and Grazing and other non-targeted generalised programmes.

We are concerned that the Minister responsible for Women's Affairs seems very satisfied with the very low targets the government has set to get women into middle and upper management of the Public Service.

We note the high staff turnover and the lack of output of the Office of Women's Affairs. We note its failure to produce its much heralded survey of 5000 women and the Minister's inability to give any time frames for the start of the survey.

Similarly, neither the Office of Women's Affairs nor its Minister appear to have influenced other departments regarding their initiatives. Minister Horan regards the Social and Community Service Award as an example of greed and callousness while Minister Sheldon is selling it as a benefit for Queensland women. Mrs Sheldon is also attempting to portray a 30% reduction in the childcare budget as a positive benefit.

Department of Economic Development and Trade

1. Sister State arrangements

Non-Government Members continue to hold some concerns about the manner by which Queensland has developed a proposal to establish a Sister State relationship with Texas, USA. The Committee heard evidence that the proposal appeared to emerge through a personal contact of the Minister for Training and Industrial Relations. The Queensland Government Office in Los Angeles appears to have had little involvement in bringing this concept forward. While there are without doubt similarities between Queensland and Texas as large sub-tropical States on the extremities of their respective nations with a history of development through agriculture and resources, the unorthodox manner in which this concept has arisen could result in a Sister State agreement which does not fully exploit the

potential for cooperation and exchange between the States, but rather focus on particular activities which the originators had in mind.

2. Downward trend in exports

We believe the recent fall in Queensland's export performance is a matter of fundamental concern which deserves prompt and effective attention from the responsible Minister. The Minister did not seem to be fully aware of the extent of the downturn which, on the basis of figures provided in answer to a Question on Notice, amounts to a 12% decline in manufacturing exports for the first three quarters of 1996-97 compared to the same period last year, and a 3.3% decline in total merchandise exports over the same period.

Furthermore, the Minister's explanation of the possible factors for this export slump demonstrated a poor understanding of the current trade environment. For example, use of the drought and low meat prices as excuses is meaningless when agricultural exports are actually up on last year. Blaming policies of the previous Government ignores the fact that exports were growing strongly when Labor was in office.

The Minister should as a matter of urgency investigate what is happening in Queensland's export sector and develop policies to ensure we return to the export growth path to which we have become accustomed.

Recommendation

Non Government Members recommend the adjustment of expenditure to reflect the spending priorities identified in this Statement of Reservations.

Mr Peter Beattie MLA

Member for Brisbane Central

Leader of the Opposition

Shadow Minister for Economic

and Trade Development

Hon David Hamill MLA

Member for Ipswich

Shadow Treasurer

Ms Judy Spence MLA

Member for Mt Gravatt

Shadow Minister for Women, Aboriginal

& Islander Affairs and Consumer Affairs