



REPORT OF ESTIMATES COMMITTEE F

1. INTRODUCTION

The sessional orders adopted by the Legislative Assembly on 22 June 2000 established seven estimates committees to consider proposed expenditure under the Appropriation Bill 2000 and the Appropriation (Parliament) Bill 2000. Each committee was given the responsibility for scrutinising the estimates for particular ministerial portfolios.

The Legislative Assembly appointed Estimates Committee F to examine and report on the proposed expenditure for the organisational units within the portfolios of the Minister for Employment Training and Industrial Relations and the Minister for Mines and Energy.

The committee conducted a public hearing on Wednesday, 9th August 2000 to take evidence from the Minister for Employment Training and Industrial Relations and Minister for Mines and Energy and their respective officers. The transcript of the public hearing can be accessed at the Queensland Parliament's Hansard web-page at www.parliament.qld.gov.au.

For the purposes of examining the proposed expenditure for the organisational units allocated to it, the committee considered information obtained at the public hearing in conjunction with:

- Budget Papers and Ministerial Portfolio Statements (MPS) tabled by the Treasurer;
- written responses to questions on notice submitted to the Ministers by the committee prior to the public hearing; and
- written responses provided by both Ministers to questions taken on notice at the public hearing.

Accompanying this report is a volume of "Additional Information" presented by the committee to the Legislative Assembly. The additional information includes the minutes of the

committee's meetings and answers to questions on notice asked before and during the public hearing.

2. DEPARTMENT OF EMPLOYMENT TRAINING AND INDUSTRIAL RELATIONS

2.1 Introduction

The Department of Employment Training and Industrial Relations role is to develop the skills base of the Queensland economy and promote sustainable employment and training.

The total appropriation for the Department of Employment Training and Industrial Relations is \$594.1M, which is a decrease of 6.6% on the 1999-2000 appropriation. The reduction is explained as being "...the result of 1999-2000 appropriations being artificially inflated, due to the one-off inclusion of Commonwealth funding carryovers from 1998-99."¹

The MPS provides the following output summary.

Output	Total Cost \$'000
Employment Initiatives	\$91,359
Industrial Relations Services	\$21,282
Administration of the Industrial Court and Commission System	\$5,238
Vocational Education and Training Services	\$675,237
Workplace Health and Safety Services	\$33,205

2.2 Key Initiatives

Key initiatives proposed by Department Employment Training and Industrial Relations for the 2000-01 year include:

¹ Budget Paper No.4 *Portfolio Services* p. 30.

- \$90.1 million to continue the *Breaking the Unemployment Cycle* initiative which seeks to maximise apprenticeships and traineeship opportunities;
- \$10 million to providing 4,000 additional training opportunities to enhance Queensland's skill profile; and
- \$8.9 million over four years to support a more equitable and effective industrial relations system and enhance workplace health and safety.

2.3 Public Hearing

During the public hearing held on 9 August 2000 the Minister for the Department Employment Training and Industrial Relations responded to queries from the committee in relation to a wide range of matters, including:

- Queensland's unemployment rate;
- Funding for new projects under the Community Jobs Plan;
- The Statewide Community Jobs Priority Committees;
- The 10 Point plan to safeguard TAFE Queensland;
- The current financial position of TAFE Queensland compared to July 1988;
- The effectiveness of the *Breaking the Unemployment Cycle* initiative in creating additional employment opportunities;
- More Jobs for Queensland Project;
- The Government's progress in creating employment;
- Assistance provided to the long-term unemployed during the 1999-2000 financial year and assistance planned for the 2000-2001 financial year;
- Funding approved under the Community Jobs Plan and the Community Employment Assistance Program;
- Advertising of consultancies;
- Expenditure on consultancies;
- TAFE teacher numbers;
- Apprenticeships and traineeship opportunities in the public sector;
- Enrolments at the Brisbane Institute of TAFE and allegations of falsification of enrolment figures;
- The Worker Assistance Program;
- The financial status of WorkCover Queensland;
- WorkCover premiums compared to premiums charged in other jurisdictions;
- WorkCover service delivery in regional Queensland;
- Payment of a performance bonus to the Director-General;
- SES officers employed on section 70 contracts;
- The workers compensation levy collection system for the building and construction industry;
- Statutory claim payments made for the 1999-2000 financial year;
- Registered workplace agreements;
- The measure of wage dispersion;
- Amendments to the *Industrial Relations Act 1999*;
- Review of long service leave entitlements under the *Industrial Relations Act 1999*;
- Successful prosecutions of workers for fraud;
- Proportions of workers compensation claims paid to barristers and solicitors for legal costs;
- The implementation of a code of practice for outworkers in the clothing industry;
- Development of a new ANTA agreement;
- Changes to traineeship administrative processes;
- Vocational training in regional areas;
- Compliance audits of private training providers;
- Worker Assistance Program links with major infrastructure projects;
- Completion rates under the private sector apprentice/trainee programs;
- Strategies to address the need for information technology and telecommunication skills and expertise;
- School based apprenticeships; and
- Processing of payments to private training providers

3. DEPARTMENT OF MINES AND ENERGY

3.1 Introduction

The stated role of the Department of Mines and Energy is to “*maximise the net benefit to Queensland from its mineral and energy resources.*”²

The appropriation for the Department of Mines and Energy is \$336.7M, which is an increase of 1.1% on the 1999-2000 appropriation.

The MPS provides the following output summary:

Output	Total Cost \$'000
Mineral and energy exploration and development services	30,170
Energy plans and programs	29,268
Mineral and energy sector regulatory services	16,221
Safety in mines testing and research services	8,073

3.2 Key Initiatives

Key initiatives for the 2000-01 financial year include:

- \$2 million for Prospectivity Plus which aims to promote Queensland’s prospectivity to domestic and international explorers;
- \$50 million over five years to implement the *Queensland Energy Policy – A Cleaner Energy Strategy* to support renewable energy technologies and reduce greenhouse gas emissions;
- \$1.1 million to establish systems, policies and processes to support new petroleum and gas legislation; and
- \$1.9 million for Stage 1 of the Full Retail Competition project to review the benefits and costs of market reform in the Queensland electricity industry.

² 2000-01 State Budget Ministerial Portfolio Statement – Department of Mines and Energy p.1.

3.3 Public Hearing

During the public hearing held on 9 August 2000 the Minister for Mines and Energy responded to queries from the committee in relation to a wide range of matters. The matters raised at the hearing include:

- A number of issues regarding the impact of the contestable market;
- The Community Service Obligation regime for tariff equalisation;
- Issues relating to dividends paid by electricity Government Owned Corporations;
- Electrical fatalities from contact with overhead powerlines;
- Assistance provided to advance the magnesium metal project at Stanwell;
- The Callide C Power Station Project;
- Spending on capital works;
- Proposed coal mine developments;
- Funding for a coalmine site rehabilitation program;
- Implementation of the State Government energy policy;
- The Chevron Gas Project;
- Analysis of greenhouse gas emissions;
- Promotion of Queensland coal in the international market;
- Mine subsidence at Collingwood Park;
- Establishment of a Consumer Protection Office;
- AUSTA Energy;
- Appointment of district worker’s representatives for metalliferous mines and quarries;
- Electrical safety issues and provisions of the *Electricity Act 1994*;
- Marketing of renewable energy;
- The Land and Resources Tribunal;
- Native Title;
- The Electricity Monitoring Unit;
- Energy supply and demand;
- Energy efficiency labelling of electrical appliances;

- Funding to assess the impact of mining on land owners adjacent to and in proximity to mining areas;
- The Remote Area Power Supply Rebate Scheme (RAPS Scheme);
- Environmental regulation of the petroleum industry;
- Security at Government explosive reserves;
- Extractive industry strategy for south-east Queensland;
- Payment of a performance bonus to the Director-General;
- Assessments or risk by the Inspector of Explosives;
- Fly-in/fly-out mining practices;
- Involvement of local businesses in capital projects by Government owned electricity corporations;
- Greenhouse initiatives;
- Green energy purchases;
- Implementation of the GST;
- The interconnector project;
- The Mineral and Energy Resource Location and Information Network (MERLIN);
- 840 MW power station at Milmerran;
- Funding for undergrounding of electricity cables;
- Replacement of the transmission line between Kareeya and Innisfail
- Electricity supply to the Daintree area; and
- Prospectivity Plus.

4. RECOMMENDATION

The committee recommends that the proposed expenditures, as stated in the *Appropriation Bill 2000* for the organisational units within the portfolios referred to Estimates Committee F for examination, be agreed to by the Legislative Assembly without amendment.

5. ACKNOWLEDGMENTS

The committee thanks ministers and their staff for their cooperation and assistance during the estimates process.

Neil Roberts MLA

Chairman

22 August 2000

MEMBERSHIP

Mr Tim Mulherin MLA (Chair)

Mr Neil Roberts MLA (Chair)* (from 7 August 2000)

Mrs Joan Sheldon MLA (Deputy Chair)

Mrs Liz Cunningham MLA

Hon Ken Hayward MLA (from 7 August 2000)

Mr Jeff Seeney MLA

Mr Geoff Wilson MLA

SECRETARIAT

Ms Anita Sweet (Research Director)

Ms Carolyn Heffernan (Executive Assistant)

*Due to medical reasons Mr Mulherin was unable to continue on the committee. Mr Neil Roberts was appointed Chair and the Hon Ken Hayward was appointed to the committee to fill the vacancy as from 7 August 2000.

STATEMENT OF RESERVATIONS - OPPOSITION MEMBERS

1 Introduction

The contents of the 2000-2001 budget for the Department of Employment, Training and Industrial Relations, are noted. This budget continues to provide funding for the core activities of the department and the implementation of Labor policies.

This Statement of Reservation details concerns held by the Queensland Coalition with respect to the effectiveness of policies pursued specifically by the Beattie Labor Government. It also records concern with the way in which the Minister failed to provide open and accountable information to non-government members of the committee.

2 Unemployment rate

For the third year in succession, the Minister for Employment, Training and Industrial Relations has backed away from the commitment made by Premier Beattie to reduce unemployment to five percent.

The 2000-2001 budget projects unemployment in Queensland to remain around eight percent. This figure highlights the failure of the Beattie Labor Government to maintain the pre-eminent job creation record of the former Coalition government. In government, the Coalition generated almost 40% of all new jobs created in Australia.

Under Labor, unemployment in Queensland exceeds the national average and remains substantially higher than the rate recorded in New South Wales, Victoria and Western Australia. It is disconcerting to think that the anti-jobs policies of the Beattie Labor Government have resulted in Queensland competing against South Australia and Tasmania for the worst unemployment rate in the country.

In light of these facts, the Opposition is concerned that the Government will fail to deliver on its September 1997 promise of reducing unemployment to 5 percent within three years of Labor taking office.

3 Community Jobs Plan and Community Employment Assistance Program

The Queensland Coalition remains concerned with the operation of the Community Jobs Plan and Community Employment Assistance Program.

Whilst the Coalition supports job creation and genuine job creation programs, there is concern that a significant number of electorates with unemployment rates in excess of eight percent have received little or no funding under these programs. Furthermore, information provided by the Minister reveals that the Government has failed to fully expend the money allocated to these programs.

4 Departmental budget

The Queensland Coalition notes that the Department of Training and Industrial Relations recorded an estimated operating loss of \$26.961 million for the 1999-2000 financial year. This loss occurred despite 1999-2000 budget predictions that the Department would have an operating surplus of \$4.791 million.

5 Brisbane Institute of TAFE

Serious concerns about the Brisbane Institute of TAFE were raised during the proceedings of the committee. These practices involve the possibility of fraudulent practices and misrepresentation.

As Shadow Minister, I requested the Minister to ask the Criminal Justice Commission to investigate the possible fraud of public monies and the subsequent inability of genuine students to enrol themselves in TAFE courses. To date, the Queensland Coalition has not received any correspondence from the Minister confirming that the CJC is investigating this matter, or providing any information on the scope of potential investigations.

Additional information relating to practices at this Institute has come to light since the committee held its public hearings. This information suggests a range of workplace and administrative problems at the Institute that require further investigation. The Queensland Coalition will continue to raise these concerns in an attempt to resolve outstanding problems.

6 TAFE

Information provided to the committee indicates that TAFE institutes in Queensland are experiencing severe financial hardship. Non-government question on notice number five suggests that 10 TAFE institutes have estimated to make a loss for the 1999-2000 financial year. Combined losses for the TAFE sector are estimated to exceed \$5 million for this same period.

7 Matter of Privilege

The Queensland Coalition raises concern with a matter of privilege that arose during the public hearings of the committee. This matter of privilege pertained to an allegation that the Minister had deliberately misled the committee in his answer to non-government Question on Notice number four.

Had it not been for the casting vote of the Chairman, the committee would have referred this matter to the Speaker of the Legislative Assembly for his determination.

As Shadow Minister, I will continue to pursue this matter as a private member.

8 Lack of accountability and openness of Minister

In responding to questions about his portfolio, it was of concern that not only was the Minister unfamiliar with the contents of Questions on Notice he had previously provided to the committee, he was unable to answer many general questions about the operations of his department.

9 Acknowledgment

The Coalition expresses its appreciation for the efforts of departmental staff, Hansard and committee secretariat staff.

Yours sincerely

**JOAN SHELDON MLA
DEPUTY CHAIRMAN ESTIMATES
COMMITTEE F
SHADOW MINISTER FOR
EMPLOYMENT, TRAINING,
INDUSTRIAL RELATIONS & THE ARTS
MEMBER FOR CALOUNDRA**