

ESTIMATES COMMITTEE A

Ms M. M Keech (Chair)

Mr M. W. Choi
Mr M. J. Horan
Mr R. J. QuinnMr L. J. Springborg
Ms B. G. Stone
Mr T. L. Strong**LEGISLATIVE ASSEMBLY****IN ATTENDANCE**

Hon. R. K. Hollis, Speaker
Mr N. Laurie, The Clerk
Mr R. Hansen, Deputy Clerk and Clerk of Committees (Acting)
Mr M. Hickey, Director, Corporate and House Services
Mr C. Atkinson, Manager, Financial and Administrative Services (Acting)

001 The committee commenced at 8.28 a.m.

The CHAIR: I declare this hearing of Estimates Committee A now open. On behalf of the committee, good morning, ladies and gentlemen, and welcome to the public hearing.

I would like to introduce the members of the committee. I am Margaret Keech, member for Albert and chair of the committee. My fellow government committee members are Michael Choi, member for Capalaba; Barbara Stone, member for Springwood; and Trevor Strong, member for Burnett. The non-government members are Lawrence Springborg, Deputy Chair, member for Southern Downs and Leader of the Opposition; Bob Quinn, member for Robina and deputy leader of the coalition; and Mike Horan, member for Toowoomba South.

The committee will examine the proposed expenditure contained in the Appropriation (Parliament) Bill 2003 and the Appropriation Bill 2003 for the areas as set out in the sessional orders. The hearings will proceed in the following order: Legislative Assembly; Queensland Audit Office; Ombudsman; Crime and Misconduct Commission; Commission for Children and Young People; the Office of the Public Service Commissioner; and units in the portfolio of the Premier and Minister for Trade; the Deputy Premier, Treasurer and Minister for Sport; and the Minister for State Development. The committee will suspend hearings for the following breaks: 10.45 a.m. to 11.00 a.m.; 1 p.m. to 2 p.m. for lunch; and 5 p.m. to 5.15 p.m. for afternoon tea.

I remind all those participating in today's public hearing that these proceedings are similar to parliament in that the public cannot participate in the proceedings. In that regard I remind members of the public that, in accordance with standing order 195, strangers—that is the public—may be admitted to or excluded from the hearing at the pleasure of the committee. In relation to media coverage of the hearing, the committee has resolved that television film coverage and sound broadcast be allowed for the Chair's opening statements and the opening statements of the Speaker and each minister. I also ask that all mobile phones be switched off and pagers be in silent mode.

The first item for consideration in the estimates of expenditure is the Legislative Assembly. I warmly welcome the Speaker and his departmental officers. I advise that the time limit for questions is one minute and answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will be given at the end of these time limits. An extension of time may be given with the consent of the questioner. The sessional orders require that at least half the time available for questions and answers be allocated to non-government members. The committee has also given leave for non-committee members to ask questions if they so desire. For the benefit of Hansard, I ask departmental officers to identify themselves if the Speaker refers to them a question to answer.

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

That the proposed expenditure be agreed to.

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

Mr SPEAKER: I will make a statement, thank you, Madam Chair. I am privileged to again appear before the estimates committee for the 2003-04 budget, which is my sixth budget. I appear today in my role as the person charged with the responsibility of preparing the budget for the parliament and supervising the management of the Parliamentary Service.

As committee members would be aware, the Appropriation (Parliament) Bill seeks to provide funding for salary and allowances for members of the Legislative Assembly and funding for the Parliamentary Service which provides administrative and support services to the Legislative Assembly. The total appropriation sought for the parliament in 2003-04 is \$56.203 million, an increase of 2.8 per cent over last year's appropriation. This increase represents additional funding required to meet a number of new initiatives and also the cost of salary increases associated with members of parliament and parliamentary staff.

Since becoming Speaker, I have tried to deliver improvements in five key areas: one, the parliamentary buildings; two, members' access to information technology; three, the quality of electorate office support; four, the promotion of community awareness of the parliament; and five, the performance of the Parliamentary Service. I believe that over the last five years real improvements have been delivered in all these areas.

Parliamentary buildings have been improved through programs such as the Annexe refurbishment and Parliament House stonework program and other minor works such as security and access enhancements. Members' access to information technology has been dramatically improved with the Internet, email and other office tools from the parliamentary data network now available in electorate offices and also members' offices in the Annexe. Electorate office support has been significantly enhanced following the introduction of the assistant electorate office initiative and the introduction of improved office accommodation and equipment. Community awareness of the parliament has been raised through a number of initiatives, including the introduction of weekend tours, the holding of a number of special exhibitions, the relocation of portraits, increased participation in Queensland Week through the Parliamentary House Open Day, audio broadcasting of parliament over the Internet and, of course, the regional sitting of parliament in north Queensland.

Finally, there have been a number of management operational reforms to staffing, which have improved the performance and opportunities for staff of this parliament. In this budget I will continue to build on the achievement in each of these areas. Parliamentary buildings will continue to be improved this year. A major refurbishment of the conference room and the media room on level 5 of the Parliamentary Annexe will be delivered. Members' electorate offices will be provided with improved Internet performance by a broadband connection. Current procedures for the reporting and archiving of the parliamentary proceedings will be enhanced through the introduction of a digital audio system.

Finally, Parliamentary Service reforms will continue in the coming year, particularly in the area of corporate services with the key role being played by the Parliamentary Service in the Shared Service Initiative. In closing I would like to thank the Premier and Treasurer throughout the development process. Thank you, Madam Chair.

The CHAIR: Thank you, Mr Speaker. The first period of questions is allocated to the non-government members. I call the member for Southern Downs.

Mr SPRINGBORG: Thank you very much, Madam Chair. First of all, Mr Speaker, I would like to commend you very much for your appreciation and respect for the estimates committee process and for returning the answers to questions on notice in the time frame requested by this committee. This stands in stark contrast to the contempt which was shown by government ministers, from the Premier down, who have, for the first time in history, denied the request of the committee and not properly responded to the spirit of this process.

Mr Speaker, my first question to you relates to the issue of increasing demands for members and electorate officers regarding Internet use. Mr Speaker, have there been some concerns about downloading large volumes of material from the Internet, such as music files, incurring a cost for this parliament? I understand that a memo may have been sent out last year to officers asking them to curtail some use.

Mr SPEAKER: I knew about the fact that there has been some excessive downloading. We also have a responsibility, as you know, for stationery. We do many things here as a matter of course. We have some very good checks on stationery supplies. In terms of monitoring the

budget of the parliament, if we see excessive use in any area we then make inquiries. It is not like the Gestapo coming down on people, but it is about ensuring that the equipment that we put into the offices and the amount of stationery we provide are used in a proper manner. I think it is very important that we always maintain that propriety within electorate offices.

Mr SPRINGBORG: I appreciate that, Mr Speaker. I know that you and previous speakers have indicated that in the past, and I respect that. I understand that this relates to the downloading of music files and that there may be a user cost associated with that. I understood that there may have been some circularising to electorate officers.

Mr SPEAKER: I will let the Clerk answer that. He might know of this particular incident. I do not know of the particular incident.

Mr Laurie: Mr Springborg, I did send a memorandum to electorate officers. I cannot recall the exact date of that memorandum. It was only in the last few months. That memorandum was caused not because we had necessarily any particular information that people were doing the wrong thing. Rather, in monitoring usage, which I think is the responsible thing for us to do, we did note spikes, if you like, of downloads and things of that nature which could be attributable to proper work practices and parliamentary business or could be attributable to improper usages, such as the downloading of music.

I issued the memo in my role as accountable officer to electorate officers to reinforce what was appropriate and what was not appropriate. I believe that in the course of that memo I made references to some sort of activity which would be deemed inappropriate, and the examples I gave included the downloading of music files. When I issued that memo and included those examples, I did not necessarily at that stage have any proof positive that that sort of conduct was being undertaken. Rather there was a concern about the increasing usage and that was one possible thing they could have been doing.

I should say that the reason for the issue of the memo was to bring the issue to the attention of the electorate officers and to put on record and put right in front of them that this is what is appropriate and this is what is not. It was as much of a preventive mechanism as anything.

Mr SPRINGBORG: So there was no demonstrable access charges which had been incurred by the department? It was basically more a spike with regards to the download of information rather than specific access costs.

Mr Laurie: The information technology manager had brought to my attention some increases in usage. We obviously try not to interfere or even try and investigate too much what goes on in the actual members' electorate offices. We do not necessarily want to start investigations into what is being downloaded, but we would do that if we had any proof positive or some indication. Usage is one indication of inappropriate use, but usage rates are also an indication of people doing a lot of work on issues. The purpose of the memo was to put out there that these were the appropriate usages and these were the inappropriate usages.

I can tell you, Mr Springborg, that I have only had one discussion with a member about the issue of usage where we had some further indication that what was being done in their electorate office was not related to work business but did relate to other things, and that was taken care of. I have no evidence of rampant misuse or anything like that. That memo was sent as a protective mechanism and basically, in my role as accountable officer, to make sure that those people who access the computers and access the network knew what was appropriate and knew what was not. I am more than happy to provide the committee with a copy of that memo.

Mr SPRINGBORG: That will be good, thank you.

Mr QUINN: Mr Speaker, in your opening statement you mentioned the parliamentary buildings. It has been many years since this historic building was treated for West Indian termites. Is the treatment still effective?

Mr SPEAKER: We actually put out a tender last year for a new pest control person, who has worked here. Also the preventive matters are being dealt with. That is one of the problems that I saw in the early years. As you know, some two or three years ago we had the O'Donovan Library problem, where half the floor was eaten away. We found out at that time that, whilst we had people going around looking at buildings, there were other areas which were not being looked after properly, so we called tenders. We now have a new pest control person, who I believe has been doing an excellent job in preventive maintenance as far as termites are concerned.

That brings me to another area. You might have noticed in my opening address I talked about the stoneworks restoration. I do not know if people know, but up on the top level balconies

here, when they did the refurbishment back in 1978, they actually concreted over tiles, but when they concreted over the tiles they put in pieces of timber. The termites in the O'Donovan Library actually burrowed into this timber under the concrete, and that is where they were nesting. Nobody had thought about that. When we do this area along Alice Street, which we are commencing now, you will find that when we lift all the stonework we will be able to examine that area and see if there is any termite activity there. So we are doing a lot of work to make sure that we prevent them or catch them as quick as we can, rather than have a situation like we had in the O'Donovan Library. I do not think that is acceptable in any building. That is the reason for calling tenders again—so that we would have a much closer inspection of the termite activity. This building needs to be preserved and it needs to be looked after. I think it is better to have good preventive maintenance than to solve the problem after it has arisen.

Mr QUINN: So we still do have them, and it is a matter of keeping—

Mr SPEAKER: We are working very, very hard on preventive maintenance. We are actually watching out for any activity whatsoever, but we have extended that watching out because of that particular issue, which nobody had thought of checking before. We did not know that there were tiles under the concrete, for a start, and we did not know that there were pieces of timber laid there. It has given us another place to check for termites, because I certainly do not want to see any part of this building affected by termites. If it is I would like to be on it very quickly, not have a situation where we have half a floor eaten away. That is really not acceptable and it will not be in the future.

Mr QUINN: How much money are we spending each year in terms of pest control?

Mr SPEAKER: I could not actually give you a ballpark figure on that. My Property Services manager could probably give me that figure. We have not got it. Can you put it on notice and I will give you a full run-down on it? As I say, I think it is one of the most important things we have to do, and we have to pay for that sort of preventative maintenance. We do consider it very serious when things happen as far as termites are concerned. But we will provide you with a copy of the actual contract and what we pay each year for that job.

Mr QUINN: Thank you.

Mr SPRINGBORG: My question to the Speaker relates to the issue of entertainment at Parliament House. As I understand it, last year \$396,060 was spent on social functions at Parliament House by state ministers and government departments. Mr Speaker, does this amount include social functions or gatherings hosted by yourself as Speaker? Would you be able to detail for us how many gatherings you have actually hosted here and the cost of those and also the nature of those particular gatherings regarding social functions or fundraisers or entertaining visiting dignitaries or whatever the case may be?

Mr SPEAKER: I could certainly provide to the committee the number of functions I have hosted on behalf of Premier and Trade, because that is one of my major roles—that is, to welcome ambassadors and delegations to the parliament, and I do this as a part of my job. The other question you wanted was social functions?

Mr SPRINGBORG: I suppose, Mr Speaker, to clarify, I am asking about functions where the parliament has incurred the cost.

Mr SPEAKER: Right, because I was just going to say to you that I have private functions, for instance, for people from my electorate, which every member does, and they pay for those functions. In terms of private functions that I have hosted and parliament has paid for, I do not think there are any. In fact, I could not think of one. But I do host events very frequently as far as the parliament is concerned, because it is really one of those areas—and I think you would appreciate—that when people visit this parliament we have to make them feel very welcome. Part of that welcome of course brings on the other things such as trade, economic activity, cultural activity, the whole lot. It is really very important we keep that going.

Mr SPRINGBORG: In terms of the details of those, are they included in that \$396,000?

Mr SPEAKER: No, not in this. That is separate. I can give you a separate run-down of who we have entertained—the ambassadors and the delegations. I have never really looked into costs, but of course each year you have my expenditure on costs for functions that I host, which comes out of my budget. There is an entertainment amount there. I am very happy to provide you with that, yes.

The CHAIR: We will take that as a question on notice.

Mr SPRINGBORG: Thanks, Madam Chair. Mr Speaker, regarding parliament in north Queensland, I have noticed that there are some items still for sale in the Parliament House Gift Shop—caps with crocodiles on them and all those sorts of things saying, 'I went to parliament in north Queensland', et cetera.

The CHAIR: I have a mug.

Mr SPRINGBORG: You have a mug, an autographed mug. Could you give us a breakdown of the cost of material or goods which are left over from parliament in north Queensland?

Mr SPEAKER: Again, I would not have that figure on me, but I am very happy to provide it.

Mr SPRINGBORG: The number of items and basically the value of those particular items, I suppose.

The CHAIR: We will take that on notice, too.

Mr SPEAKER: I could not really give you an answer off the top of my head. But I think you will agree with me that it was a great function. You had to have mementos for the people visiting the north Queensland parliament. I think many people in north Queensland still treasure their T-shirts with crocodiles on them and the Speaker's mace and the mugs and the other paraphernalia. We were very cautious when we set out in this, because all of the things that we did at that parliament were a first.

When the next regional parliament comes along, I am sure that whoever is running that show will have a better idea of what we can provide and about the capacity and the number of people we might see there. We had none of that information because it was so new. But we still flog off a few of those crocodile T-shirts. I could actually sell you a few now if you would like a few for your electorate. They are actually very good for electorate matters. We are selling them off for cost price, which means that you can actually get them out to your electorate. I think many of those people would treasure such a thing coming from a member such as you.

Mr SPRINGBORG: Similarities to a crocodile! With regard to that question on notice, could you give a bit of a trend as to how they are selling so we can get a bit of an idea of how long it might take to get rid of that excess gear?

Mr SPEAKER: Yes, okay. We are very happy to provide whatever we can on that.

Mr SPRINGBORG: I have one final question. I note that you pride yourself on the amenity of parliament, keeping this place in top condition, and I think that is important. I have some concerns with regards to the entry signage to parking sites A and B. It is a little bit unsightly and people have raised it. Could you give any indication of what may be being done there?

Mr SPEAKER: Actually, I can on that because it was only recently that the Property Services manager has come to me with a number of signage issues. If you notice out the front of the annexe where we have improved the signage, there are a number of areas where you will see new signage going up in a very short time. I can assure you that something is very much in hand.

The CHAIR: The time allocated for questions from non-government members has now expired.

Mr CHOI: Mr Speaker, good morning. My first question to you today relates to the stonework restoration program along the Alice Street elevations of Parliament House. Can you outline to the committee if there are any particular challenges that you face in completing this work?

Mr SPEAKER: That is really one of the most important areas we are doing at the moment. You realise the Alice Street area encompasses the huge coat of arms above the members' entrance, but it also has the most degraded stone that I have ever seen. I invite the committee to come and look at that in the break, because what you see up there is not only the enormity of the task but also the necessity for the task. It is really a very degraded area. Quite frankly, it is a wonder that when the whole place was refurbished before all of us were members they did not do something about that stonework then, because it is really in a bad way. We are going to have to lift all the stone from the level of the balcony. So all the balustrades and big four tonne stones are going to have to be lifted right off so that we can do the work up there that is so bad. That is where we are going to look at those termites I spoke about in answer to a question from Mr Quinn about termites.

Behind that the actual wall of the Alice Street facade is missing the cornice and the corbels, which are the bits that stick out with the corbels underneath. Because it was so degraded, in 1905 the government of that time—I do not know who was the Speaker at that time—actually just cut those off and shaved them off the wall and of course now the water runs straight on to that wall

and causes internal dampness and all those sorts of problems. It is a major task to lift all the upper parapets off so that we can put the corbels and the cornices back in again. That will not only bring the parliament to what it should look like but include some preventative maintenance, which I talked about earlier today, in stopping water from running down the wall and causing damp problems in the Hansard offices and that area. Eventually, if you allow water to keep on seeping through the walls, there will be major structural effects within the parliament as well. Of course, that is an added cost, if we have to keep on repairing walls which have been damaged by dampness, et cetera.

The whole of that job is going to cause the laneway down that side of the parliament—the Alice Street side—to be closed for probably a year and the members' entrance, which I have been so proud of because I think it is a lovely entrance and a nice open face to the parliament, will also be closed during that time because of the danger. It is going to be a workplace for that period. I am confident that in this year we can finish that along there. But, as I say, it is a huge job. I would urge members, if you do have the opportunity, to have a look at it because then you would actually understand why we have to do it and why it costs so much. It is a huge task. It has been going on now since 1993-94. As I say, we are still only along the Alice Street facade. So it is a big job to do.

Mr CHOI: Mr Speaker, in the output performance section of your portfolio statement you make mention of work done outside the front entrance of the parliament. We notice that a ramp has been put in. Could you advise the committee whether the expected outcome of this project has met expectations?

Mr SPEAKER: I think that is one of the good things we have done for the parliament as far as allowing people with disability access to the parliament. When I became Speaker five years ago the only access they had was a wooden ramp which took about four attendants pushing behind to get the wheelchair up into the parliament and then there was nothing else. Courtesy of the Premier and the Minister for Works, because this came from the Public Works Department budget, we have now installed the ramp, which gives great access to the parliament. There is the security angle as far as the fact that people go into the public entrance now and straight up the stairs in the complete vision of the security staff at all times. For members and people with passes we have the major entrance into the parliament, which is of course stripped of all that terrible security gear and desks and whatever. We now have a very welcome opening to the parliament.

The other thing we have done there, of course, is the two doors either side of the main foyer where we have keycard glass door access to the ministerial wings when we are sitting, which of course is an added security for ministers and their staff. Without being too obtrusive, we have improved the area for people with disabilities. We have improved the area for members and their staff accessing the parliament. We have also improved the security for the ministers when they are in their office.

Our tours now take in the lower level of the Speaker's gallery and the new displays we have down the end with the mace in a glass case and the former Sergeant-at-Arms and the Premier—and of course everybody knows who the first Premier's name was—and the first Speaker of the House, which is a great visual aspect for students. With the visual aspect there, the students absolutely love it. They look around the mace and the Speaker and ask a lot of questions. The thing about young people is that they do not want to just be told; they want to be able to look and have some have visual aspect. That is what we have been trying to do over the past years—that is, increase the visual aspect of the parliament so that people have a whole experience.

I could go on from that and talk about the 4,720 people who came through the House on Queensland Day this year. When they came through, of course, they were absolutely amazed at the amount of things that they could wander around and look at. That is what it is all about: it is about bringing back the history of the parliament and letting people enjoy that parliament. One of the difficulties with all these places is that they were shut off for many years. Now it is a place for the people. I think that they really thoroughly enjoy the tours and the special open days that we have.

Mr STRONG: Mr Speaker, I make reference to the regional sitting of parliament in north Queensland last September. Given the central role played by yourself as Speaker and plus your office, what were the highlights of the sitting from your perspective?

Mr SPEAKER: I just touched on that briefly in my last answer. When you think about the highlights, one of course was the setting up of the parliament. It was amazing to actually

formulate a parliament in the middle of a basketball court. But the other thing that I was very pleased that we did—and this again reflects on a previous answer to a question—was the fact that we overcame the problems of the disability sector in accessing that parliament. I might inform the committee that I have been nominated for an award for Disability Week for the fact that I did that in Townsville and also have extra disability access here in the parliament. So that was a real highlight. I suppose the important thing about that parliament was taking it to the people. That was a first.

As I said in a previous answer, we did not know what to expect. What did we get? We got nearly 5,000 young people and teachers come through that parliament—nearly 5,000. Talking about highlights, I took great delight in being at the front of the House, you might say, where I welcomed students to the parliament, told them what we were doing there and welcomed them by saying, 'We're so happy to have you.' I am sure that all members who went there from whatever side of politics would have been overjoyed at the enthusiasm of the people from that region in what we were doing there in that parliament. Not only that, but we had some 3450-odd adults visit the parliament.

The other highlight was being in parliament for question time on Wednesday night and seeing over 1,000 people in the gallery. That has never been seen before. Again, it showed the worth of taking parliament to the people. I am very pleased to hear the opposition say that it would continue the commitment to regional parliaments. As I have said here, and have demonstrated elsewhere many times, the parliament is not just the Brisbane parliament; it is the parliament for the whole of Queensland. It is really important that, from time to time, we go out there and let people know about the parliament.

As you know, we also hold many events for youth, the most recent of which was the YMCA Youth Parliament. All electorates, with the exception of eight, were represented. It is exciting to see young people coming here, taking on our roles, doing a wonderful job and becoming part of our parliament. That was the highlight of the north Queensland parliament; it was a parliament for all people. It was a parliament for everybody in that region but also for Brisbane. The parliamentary staff carried out their duties particularly well under tough conditions. Nothing went wrong. It was the perfect parliament. The Parliamentary Service staff are to be complimented on the great job they did.

The CHAIR: It was a fantastic experience. The time allocated for the consideration of the estimates of expenditure for the Legislative Assembly has now expired. I thank you, Mr Speaker, and your departmental officers for their attendance this morning and for their assistance with the estimates hearings. For the information of those attending today, the hearing transcript for this portfolio will be available on the parliamentary web site within approximately two hours.

PREMIER AND CABINET, AND AGENCIES**IN ATTENDANCE**

Hon. P. D. Beattie, Premier and Minister for Trade

Queensland Audit Office

Mr L. Scanlan, Auditor-General

Ombudsman

Mr D. Bevan, Ombudsman and Information Commissioner

Crime and Misconduct Commission

Mr B. Butler SC, Chairperson

Commission for Children and Young People

Ms R. Sullivan, Commissioner

Office of the Public Service Commissioner

Ms R. Hunter, Public Service Commissioner

Department of the Premier and Cabinet

Mr L. Keliher, Director-General

Ms C. Taylor, Executive Director, State Affairs

Mr N. Elliott, Director, Financial Services

Ms F. Parker, Principal Project Officer

Department of State Development International Trade

Mr P. Fennelly, Director-General

The CHAIR: The committee will now examine the estimates of expenditure for the portfolio of the Premier and Minister for Trade. The first session will consider the estimates of the Queensland Audit Office, the Ombudsman and the Crime and Misconduct Commission. I welcome the Premier and officials who are in attendance this morning.

I advise that the time limit for questions is one minute and answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of these time limits. An extension of time for an answer may be given with the consent of the questioner. For the benefit of Hansard, I ask departmental officers to identify themselves if the Premier refers them a question to answer.

I now declare the proposed expenditure for the portfolio of the Premier and Minister for Trade to be open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Mr Premier, you may choose to now make an introductory statement in relation to your portfolio or you may decide to proceed directly to questioning.

Mr BEATTIE: Firstly, thank you for being here for this important part of accountability. I want to say a few things generally about Queensland. 2002-03 was my fifth year as Premier of Queensland and the fifth year of my government. It was a year of consolidation of initiatives and, where necessary, continuing reform. In 2002-03 Queensland's unemployment rate dropped to the lowest levels in more than 13 years and we reached the 56,000 job creation mark under Breaking the Unemployment Cycle.

Queensland's economic base is broadening. Traditional industries such as mining, farming and agriculture remain essential and they are benefiting from new technologies, and in particular biotechnology. They are joined in the economic engine room by tourism, aviation, education and

the exciting new knowledge based industries ICT and biotechnology. These industries are creating employment, giving Queenslanders opportunities to use and develop world-class skills. In fact, we are seeing a quiet revolution taking place in Queensland.

There is plenty more work to do. However, after five years we are on the way to achieving the Smart State vision that I spelt out five years ago. People all over Australia and abroad are waking up to Queensland's limitless potential as a fantastic place to live, work, invest and obviously do business. This is not an exaggerated statement. Queensland's population growth, driven by interstate and international migration and the successes of our exporters and our research and education centres, is testament to our growing stature. This is significantly due to the work of people, corporations and institutions outside George Street, but government has an important role in facilitating success, in fostering a culture that values innovation and in promoting success stories. This is why programs within my portfolio, such as trade, events and educational exports, are vital. The government has delivered in the key service areas and they are priorities.

Other areas are also essential because they build safer and more supportive communities, uphold accountability, maintain high standards of governance and generally enhance the community's faith in democracy. These areas include the Community Engagement Division, the Commission for Children and Young People, the Office of the Public Service Commissioner, the Crime and Misconduct Commission, the Queensland Audit Office, the Office of the Parliamentary Counsel and the Office of the Ombudsman.

Because an effective opposition is integral to democracy, I have granted a substantial boost to the opposition. The opposition has more money to direct into operations than ever before for an opposition—more than ever before in operations in the history of Queensland. I recently agreed to an extra opposition mobile phone on top of the two additional mobiles already approved this year.

I am only too delighted to answer questions from the committee to highlight the government's record and what we are doing with this budget.

The CHAIR: The first period of questions is allocated to the non-government members. I call the member for Southern Downs.

Mr SPRINGBORG: The first question relates to page 10-4, and in particular the implementation of the revised State Purchasing Policy and the role that the Queensland Audit Office or the Auditor-General has in that. In particular, I refer to the fact that Virgin Airlines is the preferred state government carrier. I note that you have indicated in the past a desire that politicians and public servants fly on the budget airline carrier wherever possible. I think at one stage you said that it would do you good to travel economy. Can you indicate how many ministers, including yourself, have taken up the option of flying Virgin on a regular basis or any other commercial carrier, outside of promotional opportunities, and what is being done to ensure that these principles of the purchasing policy are being adhered to?

Mr BEATTIE: Firstly, I am very delighted with the fact that my government attracted Virgin Airlines to Queensland. In fact, in terms of aviation in Australia, five years ago Qantas was located in Sydney, Ansett was located in Melbourne, and we had no-one. Qantas is now largely moving its maintenance facilities here and Virgin Blue operates here.

In terms of commercial travel, I travel extensively on commercial aircraft, largely on my trade visits overseas, where I travel first, economy and business, depending on the circumstances. In Queensland we have a program of encouraging our departments to use Virgin and Qantas. It depends on what is the cheapest fare for the day. I have travelled Virgin on a number of occasions, all of which have been on the public record. My ministers have as well. I do not have all of that detail with me, but let me give you an illustration.

During 2002, the Department of the Premier and Cabinet directed 9.1 per cent of air travel to Virgin Blue on competing routes. During the period ending May 2003, the Department of the Premier and Cabinet had increased its use of Virgin Blue to 30.6 per cent. Over the year, that has gone from 9.1 per cent to 30.6 per cent. My department's use of Virgin Blue continues to increase. For instance, in April 2003 47 per cent of sectors flown by my department were flown on Virgin Blue, and in May 2003 37 per cent of flights were with Virgin Blue. This means a saving to the taxpayer. The fact that we have brought Virgin Blue into the operations has significantly reduced the cost of travel for the government.

During May 2003, several agencies achieved a Virgin Blue usage rate in excess of 50 per cent. These agencies were the Department of Primary Industries, State Development, Tourism, Racing and Fair Trading and Queensland Treasury. The average cost of airfares for the month of

May 2003 on sectors where Qantas and Virgin Blue compete was Qantas \$220 and Virgin Blue \$154. But it depends on the prices each day; they vary. Sometimes Qantas is in fact cheaper, in which case we will use Qantas. I think those results are outstanding in terms of use of the cheaper carrier. It is a policy.

In terms of my own individual travel, as you know, I will use the government jet where appropriate, just as my predecessor, Rob Borbidge, did. Latest figures indicate that after five years of being Premier I think I have basically caught up with what my predecessor did in two years, four months and one week. You can see that I do not abuse it or use it excessively. I can give you the details if you like. For former Premier Borbidge, over 28 months the figures were 22.10 hours a month, or 265.2 hours per year. My figures over 60 months are 10.4 hours per month, or 124.88 hours per year. That gives you some idea of the use of the government jet. I use it sparingly and strategically. This is a big state. I have no criticism of my predecessor using it. I do not believe that any leader of Queensland should be criticised for using it. If you become Premier, I will be supportive of your using it as well.

Mr SPRINGBORG: I do not have an issue with you as Premier using the government jet, either. I suppose my issue is that sometimes we create an impression that we use these commercial carriers. I simply ask you, either without notice or on notice, how many times you have actually flown Virgin and how many times you have flown commercially intrastate in particular and also interstate.

Mr BEATTIE: I have used it to go to the parliament in Townsville. Indeed, if I recall correctly, most of my ministers also travelled to Townsville by Virgin. I have used it, I think, on a couple of other occasions. I am happy to confirm that to the committee, which I will do before we complete our session today. But I want to make it clear that my use of Virgin Blue or Qantas domestically—that is, within Queensland—is not extensive. I use Qantas extensively overseas. I have to say to you—and I do not do this from any position of arrogance but rather from one of necessity—that as Premier of the day it is important that I get to locations. You know that there are many locations in this state where there are not Virgin services and there are not regular services for Qantas.

I do not use commercial services extensively in Queensland, and I do that because as Premier it is my view—it was Rob Borbidge's view, it was Sir Joh Bjelke-Petersen's view and, I believe, Wayne Goss's view—that it is better to get there, see people and do things. I do use the government jet. I have probably used commercial services within Queensland, which was your question, about three times in this term. But I will double check that and come back to you.

Mr SPRINGBORG: Are you happy to provide those figures on notice?

Mr BEATTIE: I think they are right. If that figure of three is not right, I will advise you before we complete our session at 1 o'clock. I am happy to provide the information, because I do not move away from the importance of the Premier of the day using the jet. I would urge you, if you ever become Premier, to do the same thing. It is crazy to sit around at airports when you are working for the people and you have to get to places that do not have commercial air services. In many of the places that you represent, if I waited for commercial services it would take me 100 years to get there. This week I am going out to the border of western Queensland to sign an agreement with Premier Carr. There are no commercial services there. I will use the jet.

Mr SPRINGBORG: My next question relates to the issue of accountability and disclosure. Concerns have been expressed previously by the Auditor-General with regard to secrecy provisions which shield multimillion dollar deals involving taxpayers' money, such as Virgin, from public scrutiny.

Mr BEATTIE: What page is this, Lawrence? Is this 10-4 again?

Mr SPRINGBORG: Yes, the principles of the operation of the Audit Office.

Mr BEATTIE: That is fine. I am trying to refer to the line item.

Mr SPRINGBORG: You are aware of the Auditor-General's concerns, which he has previously raised. What have you practically done to ensure that the Auditor-General has access to the information necessary for him and his office to make proper audit decisions and also to look at other issues of public accountability?

Mr BEATTIE: I do not want to be misunderstood. I am not nitpicking about line items. As Premier I will take a broad view. If the Leader of the Opposition asks me a question I am not going to nitpick about the line items, even though technically I can. I am indicating that I think it is important that we do not do that, because you have appropriate questions to ask. In terms of the Auditor-General, I will say a number of things. Firstly, the Auditor-General, under his act, has

unlimited access to whatever he likes. That means that he can access cabinet documents. He can access any material. Any request that my office or my department has ever received in relation to access to cabinet documents or any material held by the Department of State Development—the Auditor-General has the power to access that material—has been met on my instruction.

Secondly, the Auditor-General has made a number of recommendations to the government about accountability mechanisms. To the best of my recollection we have complied or will be complying with the Auditor-General's recommendations. Thirdly, the Auditor-General is an independent statutory office holder. He has direct reporting responsibility to the Legislative Assembly. The current Auditor-General has demonstrated fierce independence and professionalism. I do not think anybody in this parliament would suggest that the current Auditor-General is a lackey of anybody. He has reported without fear or favour on my government and on my predecessor. In terms of any accountability mechanisms we have complied.

You would be aware that the Auditor-General recommended to us—and I am going on memory about the detail—that we provide the details in a general form of any incentives when we announce them, which is why now, whenever the government makes announcements in relation to a particular project, we talk about the number of jobs, about whether it includes payroll tax, about whether it includes training incentives—a range of things that initially we did not discuss. The Auditor-General has indicated to us that he believes that is appropriate. We now do that. We do not have any problem in doing that. We have complied with what the Auditor-General has said.

As a broad principle, the government agrees with the need for transparency in the various processes. I make this point seriously to the Leader of the Opposition because if he is Premier he will have the same problem. When we try to encourage new investment, normally the benefits are training for Queenslanders—for example, Virgin Blue. That was about payroll incentives and training people to work for them. They have exceeded their job requirement. They then pay payroll tax and it is phased in over a period of time. If we released the full package, what would happen is that the next person whom we want to attract would want the same package. We might be able to get their business here cheaper. This is not about secrecy; this is about saving taxpayers' money.

Mr SPRINGBORG: I have a supplementary question. At page 10-5 the Auditor-General has provided submissions on commercial-in-confidence to the Queensland Public Accounts Committee. I go back to the Auditor-General's comments in 2000, when he said that he was very concerned about these deals being shielded from public scrutiny. He had no problem with regard to information being withheld at the time of negotiation, but because it was taxpayers' money he felt that those details should be released once the deal was concluded. I note that the Premier says that it could be scary or create precedents for others in the future, but in the United States it is common practice for this information to be offered up. Based on the fact that the Audit Office is there to keep the government accountable in these areas, is it comfortable with the government policy on this and do you intend to change it?

Mr BEATTIE: I am happy to refer part of that question to the Auditor-General and he can speak for himself, but let me reiterate: there are various practices around the world that we have looked at—Britain, the United States and elsewhere. We have also examined the practices followed in the other states. We know that if we release the full detail of the package in the long run the people who will suffer will be the taxpayers. The reason for that is very simple. If you release all of the details as opposed to general areas where the incentives have gone—and I have already indicated that we do that—it simply means that the next person will want the same deal. I have Scottish ancestry, and getting a dollar out of me is like trying to break into Fort Knox. I am not going to give anyone a payroll tax holiday for 12 or 18 months if I do not have to.

The Auditor-General has recommended identifying whether QIIS grants are greater or less than \$2 million. The government has rejected this because of concerns with bidding up the cost of incentives and undermining our competitive position. Outside that, I think we have basically agreed with all of the Auditor-General's recommendations. That is our only concern about the Auditor-General's recommendations.

As part of answers to questions, Tom Barton released to the committee the 2002-03 QIDS funding allocation. I stand to be corrected on that, but that is my understanding. You can go through and have a look at that. I do not think that has been done before. That is a response in part to what the Auditor-General has recommended. We are providing that. Since that time the Treasury and the Department of State Development have worked together to bring to cabinet the

results of the view of QIIS and the QIIS principles. The Queensland Audit Office has been consulted in this process. The updated QIIS guidelines have now received cabinet approval. I am happy to tell you that that happened last Monday or the Monday before.

Apart from one recommendation, all of the other accepted Auditor-General's recommendations have been implemented. The government committed to ensuring that all projects seeking state government assistance in the form of investment attraction incentives are assessed under the revised QIIS guidelines. This will occur. The revised guidelines require proponents to meet five eligibility criteria relating to proponent capability, commercial viability, the absence of incentives, contestability, net economic benefit and detriment to existing businesses.

In other words, what is happening now is that if a project satisfies this criteria the government may consider assistance where there is a demonstrated impediment to investment, there is sufficient strategic merit and the provisions of assistance would not compromise Australia's international obligations. In essence, the recommendations that the Auditor-General has made to us, with the one exception I mentioned, were approved by cabinet last Monday or the Monday before and all of those will now be implemented. That answers your question.

Mr QUINN: I refer to page 10-5, where it says under the heading 'Future Development' that QAO will continue to assist and encourage all public sector entities to maintain a strong focus on accountability and governance principles. I know from your recent comments about the media reports about the private interests of the member for Kallangur that you referred that issue to the CMC.

Mr BEATTIE: I did, yes.

Mr QUINN: Do you see also a role for Auditor-General in terms of investigating the processes within the various developments concerned with this? Will you refer the matter to the Auditor-General or will he undertake it of his own volition?

Mr BEATTIE: Let me refer that to the Auditor-General with one remark to go with it. I have no difficulty with the Auditor-General examining any issues related to any member, including Ken Hayward. Indeed, the Auditor-General, as an independent statutory officer, has the power to go where he likes. It is not a matter for me to say to the Auditor-General that he cannot go there. If he wants to go there he will go there. I have no problem with that.

These matters were referred to me by the *Courier-Mail*. I immediately got the material and referred it to the CMC. I take the view that these matters need to be fully and properly investigated. The CMC will appropriately produce a report and that report will be made public. If the CMC and the Auditor-General wish to get involved in that, I have no difficulty. I have a history in my public involvement of honesty and integrity. That has resulted in significant detriment to me over the years. I believe that, on the advice given to me personally, Ken Hayward has behaved appropriately, but this is not a matter for me to determine. This is a matter for the CMC to determine. If the Auditor-General has an appropriate role to play, I have no difficulty with that at all. I am quite happy for the Auditor-General to pick that up. I invite the Auditor-General to add to that if he wishes.

Mr Scanlan: In response to the issue raised, I confirm that I have already asked my officers to commence audit work in relation to matters that have been referred to in *Courier-Mail*. We commenced our work on site at the Department of State Development only yesterday. If any issues emerge that are within my jurisdiction in relation to the normal audit process in terms of the way those moneys were disbursed in financial assistance to industry, I can assure you that those issues will be raised, if they are significant, in a report to parliament. In terms of the way that we proceed with our audit of this work, which is fundamentally part of my normal jurisdiction, I am happy to cooperate with the CMC as we proceed.

Mr BEATTIE: Can I say that I welcome that role for the Auditor-General. That is the way the system works. I am a strong supporter of the system. We have the most accountable system this state has ever had. We have an independent CMC and we have an independent Auditor-General. That is the way it should work. No-one is above the law; no-one is above the system. It does not matter whether they are a member of my government or a member of the opposition. Just for your information, I have been advised that the information I gave in relation to the QIDS detail has been provided to the committee by State Development. You will have the full lists for 2002-03 of QIDS allocations. That came out of the Auditor-General's response. As I understand it, that has never happened before.

The CHAIR: Now I turn to government members for questions. I call the member for Springwood.

Ms STONE: I note on page 10-6 of the MPS that the Queensland Audit Office refers to conducting targeted client information sessions. I would like to know the purpose of the sessions and what else they do to promote better working practices for clients.

Mr BEATTIE: I will make a couple of remarks and then hand over to the Auditor-General. Each year the Queensland Audit Office conducts client information sessions in the form of presentations and seminars to internal and external stakeholders. These sessions provide a great opportunity for QAO staff and client interaction. In 2003, the client information session was conducted in April and attended by more than 280 public sector clients and other interested stakeholders. Due to the vast number of registrations, two sessions were held to satisfy the demand. The purpose of the sessions was to communicate to QAO's clients the Auditor-General's expectation and to promote public sector accountability. In addition, the sessions are aimed at enhancing the relationship between the QAO and its stakeholders. The session covered a range of topical issues applicable to public sector accounting and auditing, including key public sector issues, accounting standards update, financial statements preparation, financial statements checklist, asset valuation and depreciation issues, the QAO sector-wide reviews, current performance management system audits and information governance and access controls.

One of the approaches that has been taken by the Auditor-General has been to actually educate and improve systems. It is all very well to say, 'Let's kick someone to death if they have misbehaved or let's kick someone around if they have not done the right thing,' but the Auditor-General has taken a correct philosophical view in my view that we should actually try to improve the systems. There have been problems in, for example, indigenous communities. We all know the difficulties there. The Auditor-General has tried to lift the standards and improve people, and communication is a key part of that. I will hand over to the Auditor-General to see whether he wants to add to my answer.

Mr Scanlan: In addition to what the Premier has said, I would just like to underline my role and the role of the Queensland Audit Office. We have a unique birds-eye view of the Queensland public sector and we are in a very good position to identify those areas where the sector is requiring help, guidance and assistance. The provision of information seminars is one way that we can assist the public sector—to encourage it and to educate and assist it in relation to its meeting the prescribed requirements in relation to financial accountability. I just single out one seminar in particular that we did conduct at the end of 2002 in relation to computer access controls—an area where from a birds-eye perspective there was a real issue about information security throughout the sector. Two hundred and eighty public servants actually attended that seminar.

Ms STONE: On page 10-5 of the MPS the Queensland Audit Office states that a recent achievement is the production of a better practice document for clients and it is titled Checklist—Financial Statement Preparation. How will this assist your clients?

Mr BEATTIE: Again let me just make some opening remarks and I might hand over to the Auditor-General. The Queensland Audit Office publishes a range of reports, speeches and newsletters. The best practice guidelines are issued to internal and external stakeholders. Copies of the QAO's publications can be accessed on the QAO web site. In 2003, a check list on the preparation of financial statements was revised, published and distributed to QAO clients through the client information session on 8 April 2003, which we have just referred to. The check list assists public sector entities in the preparation of financial statements by providing guidance in relation to the role of key stakeholders, the preparation of financial statement tables, other planning considerations, key responsibilities, and the preparation of work papers and documentation for the verification and certification of financial statements. The check list, along with other QAO publications, is available on the QAO web site.

In addition, QAO also published a number of better practice guidelines and check lists, of which some of the most recent publications include illustrative model financial statements for statutory bodies in Queensland—the Cyclone Management Authority General Purpose Financial Report, and an International Financial Reporting Standards—IFRS—Checklist for Public Sector Agencies. I think that all members of parliament should read that one. There are also Better Practice Guidelines for Non-Current Assets, Better Practice Guidelines for E-Business Environments and Better Practice Guidelines for Information Systems. I will hand over to the Auditor-General.

Mr Scanlan: The production of these guidelines is essentially to assist the agencies to better fulfil their accountability responsibilities. In particular, the financial reporting check list is designed to assist agencies to better comply with their financial reporting obligations and, fundamentally, accountability to parliament.

Ms STONE: Page 3-4 of the MPS refers to the combating major crime—including organised crime and paedophilia—output of the CMC and that a recent achievement was investigations on the Internet to identify paedophiles who pose serious risks to children. Can you inform the committee of what progress has been made with that?

Mr BEATTIE: I want to start by congratulating the Crime and Misconduct Commission on using its powers to protect children from Internet paedophiles. One of the key functions of the CMC is to investigate paedophilia, which is criminal activity involving offences of a sexual nature committed against children and also child pornography. To date, there have been four arrests for the new offence of using the Internet to procure a child younger than 16 years, which came into effect on 1 May this year. So that legislation is working.

In one case, the CMC charged a man who commenced an Internet chat room discussion with a police officer who was posing as a 14-year-old girl. The suspect arranged to meet the 14-year-old girl at a local shopping centre where he was apprehended. He was in possession of details of the fictitious 14-year-old girl, which accorded with the description given on the Net, as well as a condom. He was arrested and charged with one count of using the Internet to procure a child under 16 and one count of using the Internet to expose a child to indecent matter. These are new offences under the Criminal Code.

In a separate case, CMC investigators posed in an Internet chat room as an 11-year-old girl. A man engaged them in an explicit sexual discussion and then forwarded images of child pornography. The target then invited the girl to view the web cam, which displayed images of him masturbating. Investigations revealed that the target was a serving Victorian police officer, who was immediately suspended and charged with transmitting and possessing child pornography. He pleaded guilty and was sentenced to six months jail suspended for two years and he has resigned from the Victorian Police Service.

I want to say very clearly to the committee that I welcome the CMC's use of innovative methodologies to beat perverts who hide behind the anonymity of the Internet with the intention of grooming and abusing children. There is no more worthy use, in my view, of innovative forensic techniques in protecting children from paedophiles.

Spending on crime fighting has risen to almost \$10 million in the current financial year compared to just over \$4.5 million in 2001-02 before the CMC was created through a merger of the Queensland Crime Commission and the Criminal Justice Commission. So I want to congratulate the CMC.

I just add that the CMC has also made good use of powers to confiscate the proceeds of crime under the new civil confiscation legislation. On 14 January, the CMC and other agencies closed phase 1 of Operation SOHO with a series of simultaneous searches of premises at the Gold Coast, Sunshine Coast, Cairns and northern New South Wales. Twenty people were arrested and charged with a total of 75 serious criminal offences, including drug trafficking, possession of drugs, possession of illegal hand guns, stolen motor vehicles and fraud related offences. More than \$4.1 million in assets, including a Gold Coast canal home, two luxury vessels, cars and bank accounts were seized and restrained under the new civil confiscation legislation. In other words, these tough new measures are being used by the CMC and they are working.

Mr STRONG: On page 8-5 of the MPS it states that the Ombudsman's office has continued its program to visit regional centres. Could you provide an overview of this service?

Mr BEATTIE: I can understand the member for Burnett, being a member who represents a regional area, having an interest in this. The Ombudsman has continued to devote substantial resources to providing services to all Queenslanders through his regional trips program. This involves both day trips to centres in south-east Queensland and trips of four to five days to regional centres.

Trips are publicised in advance in the local media, both in newspapers and by interviews on radio stations, and complainants are invited to telephone the office on a toll free number to discuss their complaints. The Ombudsman also provides details in the form of a display poster on each trip to the relevant local members of parliament—including you—and the local government being visited as well. Further publicity is given to particular trips through newspaper and radio coverage whilst in a particular area to ensure that residents become more aware of the jurisdiction of the office and the ways to make contact.

The Ombudsman's office assesses telephone calls received in relation to a forthcoming trip. If a personal interview is appropriate because the complaint is significant and within jurisdiction

and it has already been raised with the agency at a senior level, details are taken and arrangements are subsequently confirmed for an interview. In other cases the caller will be redirected to an appropriate investigative body, such as the Commonwealth Ombudsman, or the Telecommunications or Banking Ombudsman. Of course, as you know, there are a lot of complaints in both of those areas, particularly telecommunications.

The focus of officers visiting centres is on resolving new and existing complaints rather than complaint intake and assessment. Time is specifically allocated for complaint resolution activities. This approach has been adopted in response to recommendation No. 55 in the strategic management review of the Ombudsman's office, which reported in June 2000.

Wherever possible, correctional centre visits are included with regional centre visits. This occurs for trips to Maryborough, Rockhampton, Townsville and Cairns and in connection with Lotus Glen prison while on the Atherton Tableland. That facilitates the effective and efficient operation of each visit program. Some trips are being jointly advertised with the Commonwealth Ombudsman's office, such as those to Rockhampton, Townsville and Cairns. This facilitates the efficient taking of complaints about public agencies, state or federal.

In 2002-03, the Ombudsman's office visited 53 centres—14 of them twice—with a total of 67 visits. It is estimated in the MPS that 58 centres will be visited, but one trip planned in June to Cairns was deferred to the new financial year for operational reasons. Visits were made to Aboriginal councils at Mornington Island and Doomadgee, and Palm Island was visited twice.

A recent initiative is to provide a briefing on the role and current activities of the office with senior officers of state government departments and local governments in the centre being visited. To date, briefings have been given at Ipswich, Cleveland, Logan, Mackay, St George, Charleville, Roma, Mount Isa and Cloncurry. These sessions have all been attended by councillors. I have to congratulate the Ombudsman on getting out and visiting Queensland, providing that level of access and working with his federal counterpart, because that makes sense. People get better service out of it.

Mr CHOI: My first question is in regard to page 3-3 of the MPS, which states that one of the CMC's recent achievements was working in partnership with law enforcement agencies to investigate the large-scale production, supply and trafficking of heroin and cannabis. Can you please inform the committee what progress has been made?

Mr BEATTIE: The CMC recognises that to effectively combat the drug trade, it is necessary to develop and implement proactive and innovative strategies based on sound crime research and accurate intelligence providing opportunities to disrupt such activities. In this regard, the CMC has not only successfully completed a number of major investigations but also it has actively engaged in research activities designed to better understand the nature of the drug trade in Queensland and its participants.

Research has shown that illicit drug manufacturing, distribution and consumption presents ongoing challenges for law enforcement. Some of the CMC's priorities in this area include assessing valid and reliable information about the nature of drug use in Queensland, identifying the characteristics of illicit drug markets and identifying the range of interventions that have been successfully implemented in other jurisdictions that can be used here.

There has been a collaborative project with Queensland Health to ascertain the nature of amphetamine use and amphetamine markets across Queensland. Throughout the year, the CMC will be producing a series of reports which examine key aspects of amphetamine use across the state. As the member for Capalaba would know, amphetamines are a particular problem in Queensland.

The CMC relies on crime intelligence when determining its operational activities. The CMC is about to publish a crime bulletin on the status of the amphetamine market in Queensland. The CMC has assessed that amphetamines remain the primary illicit drug of concern to the Queensland community ahead of other illicit drugs in terms of potential risk and harm. While the focus of this bulletin is on the risk posed by the illicit amphetamine market, the CMC is also assessing other illicit drug markets in Queensland. Further publications are expected to be available during the next financial year.

Over the past year, the CMC undertook a number of crime investigations involving the illicit drug trade in Queensland. The key operations in 2002-03 were Operation SOHO, which I mentioned before, and Operation Aero. Operation SOHO was a CMC operation conducted jointly with the Australian Federal Police, the Australian Crime Commission and the Queensland Police

Service, and commenced in August 2001. It targeted a suspected criminal network on the Gold Coast dealing in amphetamines.

Phase 1 of Operation SOHO closed on 14 January 2003 with a series of simultaneous searches conducted on premises at the Gold Coast, the Sunshine Coast, Cairns and northern New South Wales. Twenty-four warrants were executed and 20 people were arrested and charged with a total of 75 serious criminal charges, including drug trafficking; the possession of drugs, importation and production; the possession of illegal hand guns; stolen motor vehicles and fraud related offences. As I said before, over \$4.1 million worth of property and assets, including a Gold Coast canal home, two luxury vessels, motor vehicles and bank accounts were seized and restrained under the new Queensland civil confiscation legislation. During the searches, amounts of amphetamines and cannabis were also seized along with several stolen vehicles, including a Harley Davidson motor bike and 1,000 ecstasy tablets. The list goes on.

In addition to the searches concluded on 14 January, other arrests and seizures were undertaken throughout the life of the investigation. This included seven arrests and the seizure of 36 kilograms of cannabis, 20 kilograms of chemicals used for amphetamine production, \$79,700 in cash, 3,000 ecstasy tablets, 300 grams of cocaine and a number of illegal hand guns. The list goes on. It is working. That is the important thing.

Mr CHOI: I refer to page 8-1 of the MPS, which states that a key goal of the Office of the Ombudsman is to ensure a high level of awareness of the Ombudsman's services. Could the Premier advise how services are being promoted in our community?

Mr BEATTIE: The Ombudsman has been undertaking a number of related activities to raise the awareness of the role of his office and improve access to the office's services for members of the community. These activities include developing a procedure for the provision of the translation of information services to complainants. This office is working with other complaints handling bodies on a joint initiative of the Community Engagement Division of my department to consider ways to enhance access to the complaint services provided by those bodies for people from culturally and linguistically diverse backgrounds.

The first meeting of those complaint handling bodies was in February 2003. It was agreed that their representatives would meet regularly to identify and develop proposals to coordinate activities and share materials and knowledge. Following a number of meetings, these bodies developed an action plan setting out key messages and strategies. Perhaps I might ask the Ombudsman to go through more of that in detail, but I think it is working effectively and well.

Mr Bevan: The office has engaged in a number of strategies to promote access to its services and to promote awareness of its services. Our general information brochure has recently been translated into four languages: Chinese, Vietnamese, Spanish and Serbian, and the office has taken steps to advise communities of the translations, including by publishing articles in the Ethnic Communities Council of Queensland *EVOCA* publication and a Multicultural Affairs publication *Diversity matters* and by issuing a media release. The translations are also available on our new web site that contains extensive information about our publications and services.

In February 2003 I addressed a meeting of the Ethnic Communities Council of Queensland on the role and function of the office, and in May 2003 my deputy addressed the leaders of the migrant communities at a function organised by the Community Engagement Division. Also, I provided considerable printed material to the Local Area Multicultural Partnership program coordinator within the Department of Local Government, and this was used during a training session in Gladstone in April this year.

Further, my officers are liaising with other complaint handling bodies in developing shared promotional material which fully describes the types of complaints which each body investigates. It is anticipated that the office will distribute this material during our future regional trips throughout Queensland.

In June 2003 one of my officers attended the Multicultural Women's Advisory Committee leadership forum at the Queensland University of Technology and provided information about the office's role. The forum was designed for women from culturally and linguistically diverse backgrounds aged 15 to 25 who have the potential to become community leaders. A brochure has recently been produced specifically for Aboriginal people as well. We are doing these activities and various others to promote our role and access to our services.

The CHAIR: Thank you, Mr Bevan. The time allocated for questions from government members has now expired. I call the member for Southern Downs.

Mr SPRINGBORG: Thank you, Madam Chair. My question relates to the office of the Ombudsman and the Information Commissioner, in particular regarding the number of matters which the Ombudsman has dealt with regarding complaints finalised or resolved. It is page 8-7 of the MPS. Could either the Premier or the Ombudsman give us some information on how many findings have been made against the government department or instrumentality involved? We do not seem to have a clear picture from this information of how many have been dismissed and of how many have found departments or government instrumentalities wanting, including what action has been taken.

Mr BEATTIE: Let me give you some idea of the complaints. Some 202 new appeals were received to 31 May 2003, with 220 anticipated for the full year. This would represent 50 fewer cases than the previous financial year. It seems likely that new charges for access to non-personal affairs documents, which took effect in November 2001, have been a contributing factor.

Mr SPRINGBORG: I am talking about the Ombudsman in his capacity of handling complaints against government instrumentalities.

Mr BEATTIE: I understand that, but you have to look at the total package of how much work they are doing before you get a real assessment of the position. So let me just continue with this. After sharp rises in the number of appeals received—

Mr SPRINGBORG: Madam Chair, my question was specifically to do with the Ombudsman. I am happy to come to the Information Commissioner and the other issues there, but it was the Ombudsman and the complaints that he has finalised and resolved—4,000 target, 9,000 actual and the findings against government departments—that I am interested in. Premier, the FOI issue is different.

Mr BEATTIE: No, I am just trying to give you an overall position of the office and its responsibilities. As you know, Lawrence, under the standing orders the answer to the question is appropriately a matter for me.

In terms of the percentage of complaints finalised in the three months of lodgment, it is estimated in the MPS to be 82 per cent against 73 per cent in 2000-02. The actual percentage has now been determined to be 91 per cent. Complaints over 12 months old were estimated in the MPS to be reduced from 304 at the end of 2001-02 to below 150 by 30 June 2003. The actual number of complaints on hand which are over 12 months old at 30 June 2003 was 77.

I think that gives you reduced complaints on hand from 820 as at 30 June 2002 to 500 as at 30 June 2003. If you have a look at the assessment, you will see that they have been reducing what was an old backlog, and I think their targets for the future are effective. The 2003-04 targets were tabled in parliament in reports of the Ombudsman on major investigations. I think generally in terms of the money allocated they are using it effectively. Perhaps the Ombudsman may want to add to that.

Mr Bevan: In relation to the question asked by Mr Springborg, we have not done the analysis for the current financial year but we can give you an indication from the previous financial year. In that particular year we investigated 3,890 complaints or we received 3,890 complaints. Of those, we investigated approximately 1,690. Of those matters, in 155 matters maladministration was proven. In a further 531 matters, even though maladministration was not proven, as a result of our intervention a complaint was resolved totally or partially to the benefit of the complainant.

In relation to the recommendations which we make to the departments, in a very high percentage of those matters last financial year—95 per cent of matters—the recommendations which we made were accepted and implemented by the agencies to which we made those recommendations. The figures this year will be significantly different in that with our new complaints database we are now recording all approaches to the office and all complaints made, whereas previously we mainly recorded written complaints. So, whereas there were 3,892 complaints last year, this year the figure will be in the region of 9,000 complaints.

Mr BEATTIE: Just finally, the feedback reports are sent annually and in some cases more frequently to major complaint generating agencies. This will assist you, Lawrence. Thirteen such reports were forwarded to agencies in 2002-03. The office has already seen that it is an important part of its role to provide complaints related information back to agencies. So it is improving and, as the Ombudsman indicated, there is considerable work done with agencies. Where work needs to be done it is being done.

Mr SPRINGBORG: Madam Chair, I have a supplementary question. I do not know if it is best to direct it to the Premier or to the Ombudsman. Are there any departments which were particularly found wanting with regards to maladministration?

Mr BEATTIE: Could I say at the beginning I am not aware of any department that fits within any category such as that, but there will be issues from time to time. That is why there is an Ombudsman: to make sure that if there are matters that need to be attended to they will be attended to. The Ombudsman, as I said before, provides feedback reports on complaints and data for each one of the years. For the 2001-02 financial year, 13 departments, public agencies and local governments highlighted complaints/trends to assist agencies to address complaint hot spots, and they have been dealt with. I will ask the Ombudsman if he wants to add to that.

Mr Bevan: Under the Ombudsman Act you would realise that I cannot comment on any operational matters. There is a secrecy provision in the act. We do provide some comment on particular matters in a general way in our annual report each year, and that is the only forum in which we provide details of operational matters, except for our public reports on matters of significant public interest—those major investigations.

Mr BEATTIE: I might just add to what the Ombudsman said. You know that if the Ombudsman feels it is appropriate he can report appropriately. I just highlight that we have three independent agencies here which are not controlled by government, and they are accountable to this parliament. If there are issues pertaining to a particular department, they will report accordingly. But it is absolutely essential when you are looking at procedures that what I said before in relation to the role of the Auditor-General is followed—that is, that we get systems right.

If there are areas where systems need to be improved, then they are improved. They come out of reports that are made to departments and they work through them. The Ombudsman, as I said, has provided feedback reports on complaints data for the 2001-02 financial year to 13 departments and those public agencies. They have all been worked through. The Ombudsman had also published newsletters and articles to public agencies about good administrative practice. For example, articles were published in Queensland Health's *Health Matters* and the Queensland Transport interface.

I think it is important when we look at these agencies to see they have a role not only to address where there are issues but also an important role to ensure that systems are improved. That is what is happening here, and I think that is very important. I am not aware of any particular department that has systemic problems. I say to the Leader of the Opposition: if there were a department that had any systemic problems, one, I am not aware of it but, two, we would fix it based on a report from one of the three gentlemen on my right here.

Mr SPRINGBORG: My question relates to 8-1 of the MPS and the fifth dot point from the bottom about the FOI Commissioner dealing with changes to the FOI legislation regarding charges and the ability of agencies to process applications. It is a two-point question. First of all, has there been an assessment of the current excessive FOI charges and the deleterious effects those charges have had on public access to government decision making processes? The other issue relates to the authenticity and legitimacy of workload claims, and I use by way of example—

Mr BEATTIE: I am sorry, what was the second one?

Mr SPRINGBORG: The other one is relating to the authenticity and legitimacy of workload claims by FOI officers and departmental officers in saying that this will cost a certain amount. By way of example, we sought some information on ministerial expenses and were quoted \$8,000. Surely that would have been spreadsheeted, I would have thought, and it should have been available for less than \$8,000.

Mr BEATTIE: Let me be very clear about the FOI charges. This is not revolutionary. Similar charges apply interstate and federally. If they are so horrific as the Leader of the Opposition is suggesting, then why do his colleagues at a federal level pursue the same thing? There is no substantive difference between what we do and what is done elsewhere, and that has been supported by coalition governments interstate and federally in the same way it has been supported by Labor governments interstate. The aim of the charges is to stop fishing expeditions at public expense. What it basically does is asks people to focus on what they want. That is the first point I want to make.

The second point I want to make is this: private people seeking information about themselves do not pay. I repeat, they do not pay. This debate has caused in my view some concern that individuals will have to pay. They do not. Since 23 November 2001 when the government's time-based charge regime came into effect, 11,681 freedom of information applications have been received by government departments. Of the 11,681 applicants received, 5,274 or 45 per cent of the applications were for personal affairs information and were not subject to fees or charges. So 45 per cent of all applications are free because they are individuals

seeking information on themselves. Some 6,407 or 55 per cent are applications for non-personal affairs information, and fees and charges will apply, as they do in the other main jurisdictions.

Charges that apply to non-personal applications are \$5 per 15 minutes for processing, \$5 per 15 minutes for inspection and 20c per photocopy. These charges are lower than charges in New South Wales, South Australia, Western Australia and Tasmania. So they are lower than New South Wales, South Australia, Western Australia and Tasmania. An internal review or external review is free of charge in Queensland. Applications seeking non-personal information may have their processing charges waived if they can demonstrate financial hardship in accordance with the legislation.

The \$8,000 charge quoted to the opposition for FOI re hospitality costs was reasonable. There were thousands of file pages to be examined and copied. At first they asked for 'since the government came to office in July 1998' and then they said 'the last six months'. We are happy to provide the information, but fishing expeditions cost taxpayers money and that money could be better used in health, education and elsewhere. To date the government has received 98 applications for waiver of charges on financial hardship grounds. Some 81 applications were submitted by individuals and 17 were submitted by non-profit organisations. Of the 81 applications for waiver of charges by individuals, 68 were approved, nine were refused, three were withdrawn and one is in the process of being assessed.

Mr SPRINGBORG: I think those other jurisdictions are wrong, as I think you are wrong with your time based charging regime.

I go back to my question with regard to the issue of the review of the authenticity and legitimacy of workload claims. Where is the Information Commissioner up to with regard to that? Further, has there been any assessment done of the average time frames for a person to get a release of information, whether it is personal or non-personal information, given the time frame changes which were facilitated in that legislation?

Mr BEATTIE: I go back to what I said before. The charging for FOI is followed in other states and followed federally. I do not see why we should be pulling money out of health and education simply for fishing expeditions when people cannot have the discipline to focus on what they actually want. The reality is that if anyone asks for any private information it does not cost a cent. As I said, that is 45 per cent of all applications. This has been accepted by political parties of your persuasion everywhere in Australia. I am not aware of any other National Party or Liberal Party in Australia that opposes the charge, because this is not an unreasonable thing to ask for. Some states, I understand—I need to double-check this—actually charge for personal requests. We do not. As I was saying before, of the 17 charge waiver applications by non-profit organisations, seven were approved, six were refused and four were withdrawn. So if someone has a hardship case they can apply for a waiver. As you can see, of the 81 who applied 68 were approved. So there is no hardship here.

In terms of the other detail you have asked about relating to the anticipated number of appeals on hand at 30 June 2003, 74 represents a 40 per cent reduction compared with 124 appeals on hand to 30 June 2002. The timeliness of appeal resolution this year has matched the improvements achieved in the previous two years. Of the appeals finalised this year up to 31 May 2003, 50 per cent were resolved within three months, 66 per cent were resolved within six months and 84 per cent were resolved within 12 months. If the Information Commissioner wants to provide any further information then I am happy for that to be done.

Mr Bevan: The fees and charges regime commenced in November 2001. You would appreciate, Mr Springborg, that my office only sees those matters where people actually seek review of decisions made by departments or agencies in relation to their applications for access to information or for amendment of information held by agencies. Since that time there has been no significant increase in the number of appeals to my office involving fees and charges.

Mr BEATTIE: Another thing I might be able to assist the Leader of the Opposition with relates to information assistance activities proposed for 2003-04. Before I deal with that, training materials are being developed. The first tailored agency program was delivered to the Health Rights Commission in March 2003. The information assistance activities proposed for 2003-04 include providing several basic FOI training courses for a minimal charge for FOI administrators. In essence, there are a whole lot of dot points I could go through, but there is a training program to assist people to provide information.

We do not seek to deny people access to information. That is not our agenda. FOI officers operate without government interference to release material. It is a process that we do not

interfere in. I have made it clear to my ministers that they are not to interfere in the release of information. They are to go through the process. A due process is provided. You and I have a difference on this. I do not think that a charge is unreasonable, outside of a personal case. You and I just have to agree to disagree on this.

Mr QUINN: Premier, earlier today you mentioned the fact that the CMC had run a very successful campaign of prosecuting drugs and using civil confiscation laws for the seizure of assets.

Mr BEATTIE: I did, yes.

Mr QUINN: Do you or the CMC chairman have a view about what impact these seizures and prosecutions have on the overall availability of drugs, particularly those drugs used by young people, such as amphetamines, ecstasy and marijuana? Have there been any definitive studies done about the impact of these prosecutions and seizures?

Mr BEATTIE: I mentioned before when I was answering another question—this actually comes from the coast—that there were two operations. One was Soho and the other was Aero. The operation codenamed Aero ran in parallel with Soho. It extended to members of an outlaw motorcycle gang on the Gold Coast suspected of involvement in the amphetamine trade. Unfortunately, motorcycle gangs do have a history of involvement in the drug trade. Under Aero, seven people were arrested on a total of 20 criminal charges, including trafficking in dangerous drugs—amphetamines, cannabis and ecstasy—supplying dangerous drugs and possession of unlicensed firearms. All up, Operation Aero/Soho resulted in 44 arrests and the seizure of more than \$4.3 million in assets.

The confiscation legislation is working. The new approach taken by the CMC in these new areas—I mentioned paedophilia before, but your question is dealing with drugs—be it paedophilia or drugs, is working. We have a number of programs that we are working at, such as drug courts, the diversion programs and school nurses trying to educate people off drugs. We hope they will work. Our policy is about being tough on drugs in the community—tough on crime and tough on the causes of crime. The program is an integral part of the government's comprehensive whole-of-government approach to tackle illicit drugs.

Bob, you and I have young kids. The reality is that parents have to play a big role in this, as you and I know. Yes, we will give the CMC all the power and resources it needs, but this has to be a whole-of-government approach and we need the support of the community to tackle drugs. I ask the head of the CMC to deal with some of the more specific things about research.

Mr Butler: One of the advantages that has come about following the creation of the CMC is that the research division of the CMC is now available to do crime research. As a result of that our researchers, who have a national and even international reputation for the quality of their research, have brought to bear a significant research direction in respect of drugs. A little earlier the Premier spoke about some of the research we are doing. We do that side by side with our dedicated intelligence processes that are also directed at drugs. At around the end of this month we will be releasing a major intelligence report on amphetamines. That will review the impact of amphetamines in Queensland, specific to the Queensland scene. In addition to that we have a whole range of research responses which we are trying to bring together to answer questions such as the one you asked. We will be delivering numbers of papers in the coming year to that end.

The CHAIR: Thankyou, Mr Butler. The time for questions from non-government members has now expired.

Mr BEATTIE: Madam Chair, could I just ask your indulgence? I would like to add one other thing to what Bob said before. There is a crime prevention guide called *Getting Involved in a Safer Community*, which is being produced by the Crime Prevention Division. That is about getting the community involved. As I said before, it is essential that we get the community involved in dealing with this problem. Governments cannot do it alone and nor can the CMC. I will draw your attention to that when this document is released.

The CHAIR: Thankyou, Premier. I call the member for Springwood.

Ms STONE: With regard to the Queensland Audit Office, I notice on page 10-6 of the MPS that the Audit Office identifies and applies continuous improvement approaches and techniques to existing services. Could you please discuss how you ensure that the Queensland Audit Office actually operates in a cost-effective manner?

Mr BEATTIE: The Audit Office is committed to identifying continuous improvement and innovative approaches and techniques to enhance existing audit services. To date the Auditor-

General has approved the development of a new audit based initiative designed to assist audit and audit support staff in collating information for the Auditor-General's report to parliament. Audit based initiatives include the annual updates of the team asset methodology, incorporating new auditing procedures and testing templates, to ensure that the QAO audit methodology is in line with industry best practice. The Auditor-General is doing a series of things in addition to that. I will ask him to add to that.

Mr Scanlan: Essentially, what we are endeavouring to do is improve the organisational capacity of the Queensland Audit Office. We want to build on our achievements to date, not only in relation to client services—the types of practices that have been outlined earlier today—but also to improve our efficiency, principally through pursuing the gains that we have made with information technology and our team asset methodology for electronic work papers. We are endeavouring to upgrade our skills through further professional development pursuits and a new performance appraisal system which we have in place within the office. We are expecting to get good results from that. We are putting in place an enhanced skills register for our staff and pursuing a policy of devolution capacity building through building up the expertise of our staff.

We are also concerned that our services are benchmarked with the best practices that are available in the profession more widely. For this purpose we intend to have an external peer review of the Audit Office later this year which could involve another audit office or even a private accounting firm. We are endeavouring to not only discharge the prime responsibilities under the legislation for audit but also provide assistance to agencies to meet the demand for our services and identify business improvement opportunities within the client agencies that we audit. I believe that that is broadly the answer to your question.

Ms STONE: Thankyou.

The CHAIR: Premier, would you like to add anything?

Mr BEATTIE: Only one thing which has nothing to do with that answer. It is just to further answer the question that was asked before. My office advises me that I have taken three Virgin flights, two involving Townsville and one involving Melbourne. I will double-check that.

The CHAIR: Thankyou, Premier, for that.

There is another question from the member for Springwood.

Ms STONE: Page 8-5 of the MPS states that the Ombudsman's office has developed and published a client service charter. Could the Premier please provide an overview of this charter and set out how it will assist the clients?

Mr BEATTIE: The Ombudsman has recently outlined his office's commitment to client service in a client service charter which is now available on the official web site. The charter sets out the levels of service that clients can expect in their dealing with the office. It addresses the issues from the perspective of both the public as complainants and the public sector agencies within the Ombudsman's jurisdiction.

When dealing with the Ombudsman, Queenslanders can expect these things: fair and independent advice and investigations in a timely manner; confidentiality; clear explanations about what the office can and cannot do; staff who are polite and willing to listen; staff who are sensitive to cultural diversity; regular updates on the progress of their complaints; a clear explanation of the final decisions and any recommendations made; and reasonableness and accessibility, regardless of a complainant's background and circumstances.

If the Ombudsman is unable to investigate a complaint, the complainant will be advised why and what other avenues can be pursued. People who are unhappy about a decision of the office can request that the decision be reviewed. This will be done by a senior officer independent of the original decision maker. Similarly, anyone unhappy about the level of service received may raise that with the officer concerned or with the officer's supervisor.

The Ombudsman recognises an obligation to provide clients with timely service and to ensure that his services are readily accessible to all members of the community irrespective of distance, language and ethnic origin. In dealing with agencies, the Ombudsman is concerned to ensure that all advice provided is constructive in terms of improving administrative practices and procedures, including their internal complaint handling processes. Agencies and their staff are to be treated fairly and with respect during investigations and are given the opportunity to comment on complaints that may lead to the Ombudsman making a report affecting the agency.

Mr Bevan: This is consistent with the efforts we are making to make ourselves more accessible to the community and also to make all areas of the community in all of the regions

throughout Queensland aware of the services which we can provide. It is important that those who deal with us know of the level of service which they can expect, and that is what the charter of service is for.

Mr STRONG: Page 3-1 of your MPS the Crime and Misconduct Commission operates under the Crime and Misconduct Act 2001 and focuses on a number of things such as major crime, protecting witnesses and promoting high standards of public integrity. Could you outline for the committee the provisions that have been made to ensure the independence of the commission?

Mr BEATTIE: The CMC is an independent statutory body separate from the government of the day but fully accountable to the people of Queensland. The CMC is independent in that its operations, including investigations, are not subject to the direction of politicians, bureaucrats, any political party or the government. While I am the minister for the CMC my responsibility relates to budgetary matters and some issues in relation to complaints.

The CMC is managed by a commission of five commissioners, one who is full-time and also the chairperson and four part-time commissioners. The four part-time commissioners bring with them a wealth of experience as is required by section 255 of the Crime and Misconduct Act 2001 and are the community representatives on the commission. So the community has a say. That is what Fitzgerald intended. The commission formally meets on a fortnightly basis to consider strategic issues affecting the CMC, including financial, staffing and managerial issues, specific operations, and research and prevention activities. I should say, as minister for the CMC, that the current chair has operated in a very frugal way. I have not had unreasonable requests for funds and I believe he has worked responsibly within his budget.

The Crime Reference Committee, which consists of law enforcement experts and two community representatives, refers matters to the crime area of the CMC for investigation. However, as the CMC has access to substantial powers and responsibilities, it recognises that it must be accountable. In essence, it is a standing royal commission. The Crime and Misconduct Act 2001 provides for a number of mechanisms by which the activities of the commission are reviewed.

As I said, while the CMC reports to me as Premier as its responsible minister on budgetary matters, its operations are monitored by the bipartisan Parliamentary Crime and Misconduct Committee. The Parliamentary Crime and Misconduct Committee is currently conducting a three-year review of the commission's achievements. As part of this review, it recently held public hearings in which it received over 25 public submissions. A full report is due to be tabled in the parliament later this year.

The PCMC may also direct the Parliamentary Crime and Misconduct Commissioner to audit and review the CMC's activities and to investigate complaints about it. The Parliamentary Commissioner may require the CMC to produce records, files and other documents and may, in some circumstances, require the CMC officers to appear to give evidence at a hearing. The Parliamentary Commissioner is currently undertaking the second stage of his audit of the records and files of the commission. Stage 1 audited records and files of the Criminal Justice Commission prior to the commencement of the Crime and Misconduct Act 2001 and stage 2 of the audit relates to records and files subsequent to the Crime and Misconduct Act.

The Parliamentary Commissioner will also conduct its annual review of intelligence data held by the commission. In accordance with the Crime and Misconduct Act, a review must be completed no later than four months after the end of the financial year. The Public Interest Monitor has a right of appearance before a court that is hearing an application by the CMC for a surveillance warrant or a covert search warrant and is entitled to test the appropriateness and validity of the application before the court. The CMC must advise the PIM of any such application it intends to make and provide a full copy of the material to be presented.

Could I just quickly add, if I could, that there are some people who argue that the CMC should have a sunset clause similar to what happened to EARC. I do not share that view. I think that the CMC's ongoing role is to keep all the bastards honest, and that means politicians, that means police and that means people in the Public Service. It is a very important mechanism for public accountability.

The other day I think all Queenslanders saw that Ray Whitrod passed away. I have asked Tony McGrady as the Minister for Police to attend that funeral in Adelaide on Thursday. He was one of the people who helped clean up this state. No-one should ever be complacent that corruption will not return. We need bodies like the CMC and the three gentlemen on my right to be fiercely independent to ensure that accountability is maintained and we never slip back, which

is ever so easy, to the corrupt practices of the past. I think the accountability mechanisms for the CMC work.

Mr STRONG: On page 8-4 of the MPS it states that the Ombudsman's office implemented Catalyst, a complaints management computer application. I ask: what are the benefits of this system?

Mr BEATTIE: This Catalyst is not to be confused with the official publication of the government which is also called *Catalyst*, which is about biotech, IT and other things. The core business system for the office, the Ombudsman's Support System, otherwise known as OSS, was developed in 1993-94 as a file management system for tracking and reporting of investigations. The June 2000 strategic management review which I referred to in earlier questions recommended that the system be replaced by a new and proven case and records management system. Following a submission by the previous Ombudsman, the CBRC—that is, the Cabinet Budget Review Committee which I chair—allocated \$300,000 to the project in 2000-01.

The new system known as Catalyst, as you correctly identified, became operational on 3 December 2002 and includes the following enhanced capabilities compared with the OSS: recording of the stages in complaint processing and investigation from receipt to finalisation, and you can understand the benefits of that; on-demand monitoring of cases in progress; the preparation of reports suitable for planning workload assessment, benchmarking and performance measurement; a research capability allowing trend analysis of complaints about any agency; and electronic record storage and management.

I might ask the Ombudsman to make some comments about this, but prior to the implementation the Ombudsman reviewed all business processes to ensure that the new system provided work flows that made full use of the capabilities of the new technology. The details of all contacts received from members of the public since that time have been entered into the system. In the current financial year complaints data recorded in the former Ombudsman's Support System has also been transferred to the new system and audited. This means that Catalyst now holds details of all complaints open at any time in this financial year, which is good news. I might hand over to the Ombudsman if he wants to add to that.

Mr Bevan: As the Premier indicated previously, each year we provide feedback reports on complaints to the major complaint generating agencies. Our new complaints management system will allow us to provide more sophisticated analysis of complaints. It will allow us to identify whether a particular agency or a particular unit or division or section in an agency is overrepresented either generally in complaints or with specific types of complaints. It will allow us to compare complaints about similar sized agencies—for example, local governments. We can then identify why this is the case and then recommend complaint reduction strategies to the agencies involved.

The CHAIR: Any further comments, Premier?

Mr BEATTIE: No. I think the system is working well. I noticed that there was an amount of money in the brief on it, but we did allocate that \$300,000. The final cost of the system is \$330,000. This includes \$95,000 for the software, \$84,000 for implementation support from the vendor, and \$151,000 in project management and implementation costs by staff of the office. But that is a good outcome.

Mr CHOI: Premier, I refer to page 3-6 of your MPS regarding reducing misconduct and improving public sector integrity. It indicates that 75 per cent of complaints to the CMC were assessed within one week and about 90 per cent within four weeks. Can you advise us regarding an overview of the efficiency and operations of this output?

Mr BEATTIE: This is a matter of obvious enormous sensitivity in terms of process and time and one that the CMC has responded effectively to. The CMC's role is to receive complaints about misconduct, conduct investigations, monitor how agencies deal with complaints of misconduct, build the capacity of agencies to prevent and deal with misconduct and undertake research, intelligence and prevention activities, so it is a pretty broad agenda.

During 2002-03 the CMC assessed 2,946 matters. This compares with 2,795 matters in the previous year. The 2,946 matters assessed contained 6,669 different allegations, so you do not just get one complaint with one allegation. The four major subject areas—police, Public Service, corrective services and local authorities—accounted for 96 per cent of those allegations, with police accounting for 63 per cent of the allegations.

The timeliness of the CMC's response is demonstrated by the fact that, as at the end of June 2003, some 78 per cent of matters had been assessed within one week of registration and

90 per cent within one month. The CMC finalised 157 misconduct investigations during the year of which 22 per cent were recommended for either criminal or disciplinary action, the same percentage as last year. A further eight per cent recommended managerial action. These investigations recommended 45 charges against 31 people. As a result of initiatives put in place to improve the timeliness of CMC investigations, as at the end of June 2003 there were only 57 investigations outstanding. This figure compares with 159 at June 2001 and 84 at the end of June 2002. Only three of the unfinished investigations on hand at 30 June 2003 were over 12 months old. At the end of June 2003 there were nine reviews awaiting action by the commission, a decrease from 38 as at the end of June 2002 and down from 253 at June 2001.

During 2002-03 the CMC undertook reviews and audits of 625 complaint matters investigated by the QPS—the Queensland Police Service—and other units of public administration. In 2002-03 the CMC undertook capacity building in monitoring projects with public sector agencies, and these included conducting five rural or regional visits to consult with agencies to improve their dealing with and prevention of misconduct. The CMC recognises that public sector agencies in regional and rural areas face particular difficulties in dealing with and preventing misconduct. The rural and regional visits included Cairns, Toowoomba, Mount Isa, Rockhampton and Townsville. The CMC conducted a capacity survey among units of public administration to gather baseline empirical data regarding the misconduct risks associated with the entity and their ability to both deal with and prevent misconduct. This is always going to be an area of sensitivity, but I think in the circumstances they are doing a good job.

The CHAIR: An excellent job.

Mr CHOI: Premier, page 10-6 of the MPS states that the Queensland Audit Office is providing training to staff to enhance knowledge and skills. Could you provide details of the scope of this training to be undertaken by staff and how this will enhance the services provided by the Audit Office?

Mr BEATTIE: Part of the Queensland Audit Office's Human Resource Strategy 2002 to 2004 includes the development of long-term professional development programs linked to staff competencies. In this regard, the QAO continues to focus on developing its skills base by encouraging staff to broaden their skills and knowledge through a variety of professional and personal development programs including study and research assistance schemes, graduate programs in management and leadership development.

To assist staff with their professional development, the audit policy and reporting section of the QAO facilitates technical training. In terms of technical training, the following areas were covered during the year: audit methodology, that is, team asset update and quality assurance review of SAP; update on accounting and auditing standards; analytical reviews; substantial testing policy; and graduate program. The list goes on. As you know, as a government committed to the Smart State we would welcome any training and skilling of the work force. So I am pleased with what the Auditor-General and his office are doing. I might ask him to expand in more detail.

Mr Scanlan: Obviously a well educated work force is the basis for good audits. It is important that my staff are skilled across a range of various skill areas for the purposes of our effectiveness. Throughout the past 12 months there have been a number of areas of personal skills training which we have concentrated on, principally audit report writing, leadership skills, supervisor excellence, indigenous cultural awareness in terms of our dealing with Aboriginal and Islander councils, workplace harassment, computer training and, of course, our performance management and development program. They have been the areas that we have been focusing on over the past 12 months. Our program will continue for 2003-04. I should just say at the outset that we have a very effective graduate program for our staff. Each year we employ at least 10 graduates. I believe our graduate program is second to none.

The CHAIR: The time for questions from government members has now expired. I call the Leader of the Opposition.

Mr SPRINGBORG: My question relates to the operations of the CMC and I refer to page 3-5 of the MPS. In particular when we are dealing with issues of the quantity of operations undertaken, I note that there have been targets set and targets matched, et cetera. One of the issues I have is that it is very difficult when you read these MPSs to be able to get a full appreciation of the effectiveness of these operations insofar as prosecutions that may have arisen from them or further court action. Can consideration be given to actually having a greater measure of success rather than just saying 'We have had these number of operations'?

Mr BEATTIE: One of the things that I did before, because I thought it was important to do this, was give you an indication of some of the recent successes since changes to the legislation. You and I have both been supporters for some time of civil confiscation, for example. That is why I gave you an indication of how much had been confiscated in recent operations. It is also important to talk about amphetamines and what is happening there—something the Leader of the Liberal Party raised. But it is also important that we look at how the new laws are changing what the CMC can do, which is why I mentioned paedophilia. I might ask the head of the CMC to deal with that in more detail. I have a lot of material that I can go through, but I will invite the head of the CMC to respond.

Mr Butler: It is difficult to develop output measures which give a clear indication of performance in some of these areas. We looked at agencies around the world, such as the National Crime Squad in the UK. All of them seem to grapple with the same problem. If you look at the number of charges—it is not an irrelevant measure—it can vary quite a lot, depending upon the nature of the offence and the way in which it has been committed. It is not always a good measure on a year-to-year basis. What we try to do is report not only in the MPS but also more comprehensively in our annual report so that we can give a good indication of exactly how much is being achieved in these areas.

What I can say in the area of crime that you pointed to at MPS 3-5 is that I am very proud of the way in which both our organised crime team and paedophilia team have been operating in the past year. Now that things have settled down in the new commission we are entering the new year very productively. I expect that we will continue to have significant successes. We do that because of a very strong and effective partnership with the Queensland Police Service.

In this crime area I constantly reiterate that we are not trying to be an alternative Police Service; we are trying to supplement the very good work that the QPS is doing and value add where we can using our special powers and our special expertise. For example, in the past year there have been 37 joint investigations with either the QPS or the Australian Crime Commission. As a result of those investigations, 83 people were charged with 409 offences. I think we are delivering, given we are a small unit, in areas where there is a special need to utilise our powers and to value add to what the QPS is already doing.

Mr BEATTIE: In response to a previous question from the Leader of the Opposition, I mentioned some figures about my trips. I am now advised by Ministerial Services that in 2002-03 there were five commercial domestic flights. Three were on Virgin—one to Townsville, one to Melbourne and one from Townsville. There were two on Qantas, one from Melbourne and one to Cairns. That is five. I said I would check, and that is the official advice I have been given.

Mr SPRINGBORG: I have a further question regarding the CMC matters. One of the measures indicated is the quality of the operations undertaken. There is a target estimate of 95 per cent, an actual of 95 per cent and a target estimate of 95 per cent. Also, with respect to the percentage of stakeholders satisfied with intelligence reports—95 per cent, 95 per cent and 95 per cent—

Mr BEATTIE: A lot of happy people.

Mr SPRINGBORG: Maybe they are happy. But I find it hard to believe that there is not some variation. How do you arrive at and assess those figures? Is there any hard data which proves in any way that 95 per cent of people are really satisfied? Also, with respect to the percentages for tactical operations resulting in charges, restraints and seizures, how do you work out that figure of 95 per cent and how do you work out that you have achieved 95 per cent?

Mr BEATTIE: Let me say a couple of things before I hand over to the chair. The chair mentioned that there were 37 joint operations with both the QPS and the Crime Commission. As a result of those investigations, 81 people were charged with 409 offences. You are looking at tangible outcomes. They included things such as the indecent treatment of children under the ages of 12, 14 and 16, child rape, trafficking in dangerous drugs, producing dangerous drugs and possession of weapons. That is 409 offences. Some 81 people were charged. As at mid-June 2003, the CMC had finalised 15 investigations for the year. This figure included six paedophilia investigations, six organised and three serious crime investigations. Also, during that time three large-scale organised crime networks were also disrupted. As a result of establishing a particular unit, the CMC jointly with other agencies restrained assets to the value of \$7.335 million.

In terms of offences—these are preliminary figures indicative for 2002-03 compared with the same period last year—there have been significant decreases in the following offence categories: sexual offences down by eight per cent and robbery down by 11 per cent. This is broader than

what you were asking about, but it gives you an idea. Other homicide was down by 18 per cent. Unlawful entry was down by seven per cent. Arson was down by 13 per cent. Other property damage was down by 17 per cent. Unlawful use of a motor vehicle was down by five per cent. Stock related offences were down by 39 per cent.

In 2002-03 all major intelligence publications were referred to an external reviewer for assessment against quality standards being published by the CMC. They do not just make it up. An external reviewer looks at it as well, which gives it some quality. In 2002-03 the CMC disseminated 376 crime intelligence reports, 80 more than the target number. The list goes on.

The other problem you have with operations is that when you are trying to crack down on, say, amphetamines, bikie gangs or organised crime, it takes time. I can remember being engaged in this debate years ago. There will never be a large number of operations, but they are going to be strategic and important.

Mr Butler: In relation to the two line items that the Leader of the Opposition referred to, firstly, in terms of the percentage of tactical operations, we delivered on that this year—the 95 per cent target. The reason for that is that we do a lot of work in preparing before we commence a tactical operation. We expect that in the vast majority of them we are going to deliver with charges or seizures when we bring them to a closure. In respect of stakeholders satisfied with intelligence reports, as part of the law enforcement community it is a practice that you send out a form requesting a response from agencies when you disseminate intelligence reports to them. We do have data that backs up those measures as to whether or not the responding agency is happy with the report.

Mr SPRINGBORG: The issue of hard data is one that I would like to pursue further. However, given that I have one question left, I turn to page 3-4 of the MPS. Dot point 2 refers to covert investigations on the Internet to identify paedophiles who enter chat rooms. Can the Premier or the chairman of the CMC give an indication of how many of these investigations have been conducted and how many are ongoing?

Mr BEATTIE: Lawrence may have been out of the room when I went through this. I am not trying to be clever.

Mr SPRINGBORG: I understand there was an indication that there were a couple.

Mr BEATTIE: The CMC needs to be congratulated on this. To date there have been four arrests for the new offence of using the Internet to procure a child younger than 16, which came into effect from 1 May this year. While that is only recent, 1 May is not that long ago. I am delighted to see that that is happening. All being decent people in this room, I find it extraordinary that these perverts actually operate in the way that they do. I might ask the head of the CMC whether he wants to add a little bit more to it. The CMC is getting a very good record in a short time.

The CHAIR: It is the changeover time. Would you like to move for an extension?

Mr SPRINGBORG: My brief question was: how many operations have been conducted and are ongoing?

The CHAIR: Government members are happy to hear the response.

Mr Butler: It is a bit hard to give you an operation number, because unlike with organised crime we have a lot of incidents of trying to connect with people in our Internet activities. In the past year 14 people have been charged with 115 offences in our paedophile area. But since the introduction of the new 218A of the code we have a new weapon that has given us the ability to be even more effective on the Internet. As the Premier said, we had some recent success with that. We expect that will carry forward into the future.

The CHAIR: Thank you, Mr Butler. It is now time for government members' questions.

Mr STRONG: On page 3-9 of the MPS, the witness protection output is listed as one of the Crime and Misconduct Commission's three outputs. Could the Premier provide an overview of the types of activities that the witness protection output will undertake this year?

Mr BEATTIE: The Witness Protection Unit was established as a result, as you know, of the Fitzgerald recommendations in 1987. That is when the recommendations were made. The act did not come in until after that. Since inception, the Witness Protection Unit has received 1,969 applications, and it has accepted and successfully protected 1,129 people. This represents a 100 per cent record in keeping witnesses safe as at June 2003. During 2002-03 the unit protected 141 people, including 46 persons who were already receiving protection at the commencement of the year. It is expected that 66 persons will be receiving protection at the

commencement of 2003-04. 126 threat assessments were conducted on persons either assessed for or accepted on to the Witness Protection Program. That is 125 in 2001-02. As at 30 June 2003 court security was provided for 61 witnesses in 2002-03 and 50 in 2001-02—43 per cent of protected persons.

In 2002 the unit developed and conducted a witness protection course from 10 June to 5 July 2002. This was the first such course to be conducted in Australia based on the national competitiveness for witness protection officers. The course involved representatives from the CMC, the Queensland Police Service, New South Wales police, New Zealand police and United States Marshal Service. The course is awaiting final approval from the Australian National Training Authority, ANTA, to be awarded advanced diploma status. As a direct result of the above course, the Australasian Police Professional Standards Council has granted Queensland lead agency status for witness protection training.

In June 2003 the unit hosted a two-day workshop on the implementation of national competitiveness in witness protection training throughout Australia. Witness protection representatives from all Australian states except South Australia and Tasmania, the Australian Federal Police and New Zealand attended. Outcomes from the workshop are to be reported to the next Australasian Heads of Witness Protection conference planned for late 2003.

There is a lot more material that I could go through. Let me just highlight a couple of things. The reality is that unless you have witness protection you do not, in many cases, particularly when dealing with organised crime—you can imagine this with bikie gangs and others—get witnesses coming forward. The reality is that if they do so without protection they end up dead. That is why this Witness Protection Unit is so important. The amount of money involved in drugs is so extensive that you can imagine that some undesirable, desperate people are in fact prepared to pay to get people killed who are likely to be witnesses. Therefore, the Witness Protection Unit within the CMC is vital to its operations. If the CMC cannot offer that level of protection to likely witnesses to roll over, or however you want to call it, you simply will not get convictions.

I do not want to be melodramatic about it. There is a lot of money in drugs. If we are going to be effective in cracking down on it with a whole-of-government approach, including what is happening with the CMC and the police, the Witness Protection Unit is vital to the operation of the CMC. Many people may even be surprised by the number of people on that protection program. But at the end of the day without it, firstly, they are likely to end up dead or, secondly, they simply will not come forward. You would remember the history of the Fitzgerald inquiry. If a number of honest police officers had not been prepared to come forward, Tony Fitzgerald's inquiry would have gone nowhere. It is exactly the same principle and it applies here in witness protection.

The CHAIR: The time allocated for the consideration of the estimates of expenditure of the Queensland Audit Office, the Ombudsman and the Crime and Misconduct Commission has now expired.

Mr BEATTIE: I thank the three officers on my right. They do a very good job. They are independent. They get beaten around the head from time to time. We get used to it in politics; that is our job. The Ombudsman, the CMC head, the CMC itself and the Auditor-General do a good job. I want to put on public record my appreciation for the work they do.

The CHAIR: On behalf of the committee, I, too, thank Mr Bevan, Mr Butler and Mr Scanlan for their attendance and assistance today.

Sitting suspended from 10.45 a.m. to 11 a.m.

The CHAIR: Welcome back, Mr Premier. Estimates Committee A hearing is now resumed. This session will include the expenditure estimates for the Commissioner for Children and Young People, the Public Service Commissioner and the Department of the Premier and Cabinet, including international development. I remind people to turn off their phones and make sure that their pagers are in silent mode. The first period of questioning is allocated to non-government members. I call the Leader of the Opposition.

Mr SPRINGBORG: I direct my questions to the estimates relevant to the Commissioner for Children and Young People—in particular page 2-4 at dot point 4, employment screening applications. The target estimate was 140,000, the estimate actual was 140,000 and the target for this year was 140,000. In response to a question on notice from the committee, the Premier indicated that there were in actual fact 112,425 applications in 2002-03. Why the discrepancy?

Mr BEATTIE: Are you referring to the question on notice?

Mr SPRINGBORG: It is a question on notice and relates to the figures not stacking up.

Mr BEATTIE: That is a fair question. I will go through some preliminary remarks and then I will ask Robin Sullivan, the Commissioner for Children and Young People, to provide you with more detail. At the outset, I am very pleased—and I think everybody in the community should be—with the success of the blue card system. This is a new system which is being reviewed at the current time. As a government, we are committed to a safer and more nurturing place. 2002-03 was the first full year of implementation of the working with children check. You know that we are bringing this in. Applications entered into the commission's database increased from 33,118 in 2001-02 to 112,425 in 2002-03. That represents a threefold increase. This has been building up dramatically. In terms of the cost, you can see that there was \$658,000 in unanticipated expenditure.

You are referring to an estimate. That is what the papers indicate. It is very hard to predict what will happen in the first year. That is why there is a difference between the 112,425 and the 140,000 figures. What basically happened was that it was an estimate, it was the first year, it was very hard to predict. I do not have any criticism of the commission for that. You try to estimate these things, but we are dealing with human beings. It is not very easy to get those figures right. The difference is that what you are looking at is an estimate and what we gave are the real figures in the end. I already highlighted, correct me if I am wrong, in that question or somewhere else the number of people who have withdrawn. This system of blue cards is working. In my discussions with Anglican Archbishop Phillip Aspinall sometime ago when he was talking about paedophilia he said that this blue card system should be adopted nationally. The head of the Anglican Church has said that. I do not know whether Robin Sullivan wants to add anything more. I think what I have given is an accurate picture of the difference between the estimates and the real figure.

Ms Sullivan: The additional things that contributed to that gap were that in fact we had anticipated a greater seasonal fluctuation of volunteers associated with winter sport and that did not occur. There was also an allowance for the potential number of child care services that are going to be screened by us under the new child care act. This is now not going to occur until 1 September. We had built in the possibility of that occurring earlier.

Mr BEATTIE: Next year we will be in a better position to give you an assessment of where these figures have gone. Things will have settled down a little by then. That is assuming we are still here of course. I should not be presumptuous. This may be your problem, Lawrence.

Mr SPRINGBORG: I suppose this highlights the issue I have been pointing out a bit this morning. That is that the estimates and estimates of actuals so often bear complete correlation to each other and it is not until you ask for specific information that you find that the estimate actual is somewhat different to the actual situation. The real concern I have is how the estimate and the actual tend to line up. If you do not go through individually and ask for the information then you have no way of being able to test for any discrepancies. Whilst it is the first full year there certainly were 33,118 applications the year before but the conclusion was drawn in the budget papers that the actual numbers were going to be 140,000. I think that conclusion was wrong.

Mr BEATTIE: I understand the point you are trying to make here, but the whole process of the estimates committees is to get to the heart of those sort of issues. That is why you have an opportunity to ask things. Estimates are prepared in March-April for MPS publication purposes. You have to look where the year fits in. If they are prepared in March-April, obviously when you get to the end of the year you have to do it on the basis of an estimate and there will be times when that changes. The best estimates in the world will not be accurate if you are doing the preparation in the March-April period. What we try to do is to give our best estimate based on projections and then you get a real figure and then that real figure can be compared against estimates. Here you have a new system coming in and you are dealing with human frailty, you are dealing with volunteers. You have to remember that this is not a perfect science.

As Robin Sullivan indicated there were issues involving people in sport. People will not stand still; they are buggers like that. They will not stand still and let you count them. They then change what they are going to do. This is the trouble in a democracy. People will do what they want. It is not like China, a totalitarian state. In a sense, if we had that we would get a better number.

Just being serious for a minute, the reality is that these are estimates prepared in March-April. You are dealing with volunteers. This is a very difficult area. Robin Sullivan is going to have more problems in this area. The most important figure is the number of people who put applications in for blue cards and then withdrew them when they knew that checks were being done or people who have been knocked back. We are getting rid of paedophiles in our system. You or Bob asked quite an appropriate question before about what was happening with the CMC.

You have these scumbags around the place who will take advantage of children. Blue cards are a way to protect them.

The check is required for six categories of child related employment. Some 2,208 cards were issued for residential facilities, 267 cards were issued for school boarding facilities, 28,321 cards were issued for school employees other than teachers, 52,926 cards were issued for churches, clubs and associations involving children, 13,105 cards were issued for counselling and support services and 8,731 cards were issued for private teaching, coaching or tutoring.

The reason I mention that is the diversity of groups who are going through the blue card system. I would hope that the estimates in future years will be a lot closer to the actuals, but 2002-03 was an extraordinary year. The past 12 months have been a phenomenal time in Queensland and I think things are improving. Some 215 applicants have withdrawn their applications from the process and 98 of the 215 decided not to proceed when further information was sought by the commission in relation to their criminal histories. These people move around all over the place like kites in the breeze.

Mr SPRINGBORG: Before I ask a further question, can I suggest to the Premier that a way of giving better information to parliament is that you might consider publishing information relevant to the actuals as final information comes to hand.

Mr BEATTIE: In the parliament?

Mr SPRINGBORG: Subsequent to 30 June. I think it would be a good initiative for government.

Mr BEATTIE: Let me give a clear undertaking to the committee—and I am sure the children's commissioner would be happy to do this—in relation to figures subsequent to 30 June. I do not think there can be any appropriate criticism of the children's commission.

Mr SPRINGBORG: This is general criticism; not criticism of the children's commission.

Mr BEATTIE: In terms of issues like this, I believe it is appropriate I can make ministerial statements to the House as figures become available. If the Leader of the Opposition wants to raise issues with me in areas outside the children's commission then I am happy to provide that information as well. This is the way the system works in terms of estimates. That is why there are actual figures. It is like budget figures. You do estimates, you do reviews mid-year and then you produce the final figures. That is simply the nature of how it works.

The Treasurer does an annual statement of expenditure; the public report at the end of August. It is annual report. Those things happen from time to time. That will give accurate information on issues that the Leader of the Opposition raises. The Treasurer will give him that sort of information. That is why I am dealing specifically with the children's commission. The Treasurer will give you the other actuals you want. On issues like this, you have a valid point. I am prepared to make a ministerial statement somewhere between the end of June and the end of December on behalf of the children's commission in the parliament on the numerical position of blue cards so that you are properly informed on the matter. I do not think that is an unreasonable request. When it comes to other budgetary matters the actuals are delivered by the Treasurer. He will do that at the time I indicated.

Mr SPRINGBORG: Page 2-2 of the MPS deals with the number of suitability cards issued by the commission. Under dot point 2 it states that 76,347 cards were issued. What seeking of ongoing information is made by the commission to make sure that the suitability of those people to be blue card holders is continually checked?

Mr BEATTIE: You are talking about 76,347 that were issued?

Mr SPRINGBORG: Issued by the commission. This must be a living process. Information can come to the fore later on. Some of those people may be a risk and what does the commission do to seek further information?

Mr BEATTIE: Let me give some information and then I will ask the commissioner to add a little. In 2002-03, 105,558 blue cards were issued. Of those, 18,496 were issued to new paid employees, 6,885 were issued to self-employed persons carrying on certain child related businesses, 79,967 were issued to volunteers and 207 were issued to applicants renewing their suitability cards after the two years. In addition, three blue cards were issued to current employees at the request of employers who had concerns about their suitability. Under the Commission for Children and Young People Act, the card must be renewed every two years. This process is vital to ensure that any changes in criminal history are monitored and assessed by the commission. Those found suitable are issued with blue cards which they must produce to be able to work with

children. The check commenced on 1 May 2001 for new paid employees, from 1 February 2002 for self-employed people, from 1 May 2002 for volunteers and on 1 September 2003 it will expand to include all child services.

Section 164 of the act requires a review of part 6 to be undertaken within two years of the commencement of the blue card. The review, which commenced on 1 May 2003, is being conducted by officers of my department in consultation with the children's commissioner. Queensland's blue card system has been so successful it has been considered for adoption in other jurisdictions in Australia. I have written to the Prime Minister suggesting that. The answer to your question is that they are renewed every two years and therefore anyone whose circumstances change will be picked up. But there is also notification. I will ask the children's commissioner to give me information about how they are dealt with if anything comes up within that two-year period.

Ms Sullivan: There are a number of options. First of all, the legislation says that if a person's criminal history changes they must inform us or they are subject to quite a substantial fine. So there is an onus on the individual person to notify us of change of criminal record. There is also an opportunity for employers, if they believe the criminal history of an employee has changed, to ask for a new screening to be undertaken. In fact we have revoked the blue cards of some people on those grounds. We also have a protocol with the police department where there is an exchange of information to make sure that we both have current information about the kinds of people that you are describing.

So that is at least three ways in which we can address the issue of a person's criminal history changing within the two years. It also should be noted that that criminal history is not just based on Queensland but is, in fact, Australia-wide. So not only are we looking at someone's criminal record within this state; we also have access to both charges and convictions right across Australia.

Mr BEATTIE: That is the first time that has happened. That was a significant advance. Before, just because we had it did not mean that we could access paedophiles in the rest of Australia. We all know that paedophilia does not stop at the border. So that has been a significant advance.

I am not claiming that this system is absolutely perfect. We think that it was the best system that we had at the time. That is why we have this review on. There may be other ways that we can improve. I invite you today, if you want, to communicate with Robin or me about any ways that we can improve this. That is a genuine offer to you. We are keen to get the best system. Like you, we want to protect our children. So if you have any ideas about how to improve this system, we are all ears. That is a very genuine offer to you.

Mr SPRINGBORG: I turn to page 2-1 of the MPS, which deals with strategic issues. It states that the role of the commission is to advocate for the rights, interests and wellbeing of children and young people. Dot point 2 refers to safeguarding children and young people from harm. Has there been much interaction between yourself and the commission regarding recent child protection issues in Queensland? What advocacy has actually happened from the commission with regard to ensuring sufficient resources for child protection officers, given the significant numbers of reports which are coming into government of abuse situations?

Mr BEATTIE: Thankyou for your question. It is a very important one. It is a required practice of the commission to respond immediately to complaints where there is concern about a child's safety. The commission has successfully met the standard 100 per cent of the time. We obviously would expect it to do that, but it has. In terms of funding, my government, as you know, is committed to improving the child protection and alternative care system. This has been demonstrated by the introduction of the Child Protection Act 1999, which addressed the recommendations arising out of the Forde inquiry, instigated by the government, which put in place a contemporary framework to respond to emerging issues in the community. The Future Directions initiative announced in June 2002 built on this reform and substantially increased funding to the Department of Families by \$188 million over four years, beginning in 2002-03. I make the point that you are obviously referring to some recent reports in relation to foster carers. That is being audited at the moment.

Mr SPRINGBORG: And general.

Mr BEATTIE: Yes, but I want to face up to the issue that I think you are raising with me so that I can give you an honest answer. The Children's Commissioner is involved in this process. The Children's Commissioner is an independent officer who is involved in the assessment of

these issues. One of the problems that we have—and I do not want to be misunderstood on this, because we are going to tackle this issue head on, as right from the beginning my government tackled the issue of child abuse head on—is a very sad legacy of underfunding and neglect over many, many years. Certain issues are now before the police, and if the police deem that charges need to be pursued then that is a matter for them to pursue and we would expect them to do so.

Our internal systems have been improved significantly. We have increased the number of front-line officers and we have increased the budget dramatically. I am not going to pretend that we do not have a long history of abuse and neglect. We do. Some of the matters that have been the subject of recent publicity are disturbing to all of us. I was particularly concerned when I saw a number of those reports, but they do relate to matters that go back many, many years and across all governments of different political persuasions.

The responsibility here is one that we all share. We have a responsibility to fix it. We will fix this very openly and we will deal with it very transparently. But I want to make the point that a lot of these are very historic. We are moving to resolve them. That audit will look at a number of issues. Whatever recommendations come forward to improve the system, we will improve it.

Mr SPRINGBORG: Given the role of the commission and the commissioner as I outlined and the fact that child protection, both in foster care and also generally, is a significant concern and your own minister has indicated that there is going to be a major increase in the number of reports, has there been strong advocacy from the commission to you for additional child protection officers to fulfil what is an increasing need? This is an area where there is not a good legacy.

Mr BEATTIE: As you know, the government is increasing the amount of funding, and that is supported by the Children's Commission, as it is by us. Investing in the Families portfolio is one of my government's priorities. Let us look at what we are doing. We have a systematic approach to child protection through the independent and essential roles of the Department of Families and the Commissioner for Children and Young People. An audit of foster carers, including an external review of allegations recently raised in the *Courier-Mail* and the establishment of a telephone hotline for anyone who experienced abuse while in foster care, has happened.

In 2003-04 the government has increased recurrent funding to foster carers by \$7.2 million and provided new funding for short-term respite to support foster carers. The program includes things such as early intervention trials to prevent children and families entering the statutory system, better targeting the resources of Families and 31 additional family support officers to work on alternative care. Thirty-one additional family support officers is significant. The list of what we are trying to do here goes on.

My only concern is that we have two distressing cases here, with a long history going back many, many years, that are being assessed. The thing that we have to be very careful about, though, is that foster carers are providing a lifeblood for many of these children. I am personally very concerned that if we allow the vilification of foster carers to continue in a general sense without containing it to these two cases—and both of these cases are horrific; I am not moving away from that—we will find it difficult to get foster carers.

At community cabinet meetings we present foster carers with appreciation awards for what they do. Ninety-nine per cent of them are very, very good people. Inevitably, we have a couple of terrible bad eggs in terms of assessments here—and I am not moving away from that responsibility. But if we do not acknowledge through this that there are good foster carers, the department will not get them. Where do the children then end up? They will not end up in families; they will end up in some form of institution, which is not good.

I personally believe—and I know you well enough to know that you personally believe this, too—that the family is the most important unit to nurture children. These foster carers are people who foster other people's children. I know how difficult this is. I have been a ward of the state. My mother died when I was four. I was raised by my grandmother. I have been through this and that is what happens. Most families look after other children, which is what happened in my case. I can tell you that I have a personal commitment to foster caring and I have a personal commitment to make sure that we weed out those people who abuse the system.

But I do have a very strong concern about those wonderful people who are foster carers. There is no criticism of you in this, so do not misunderstand me. I just ask everybody in this—the media and everyone else—for some balance. Balance is what we need. If we keep denigrating carers, we will get no-one. At the end of it all, that is not going to work very well. At the last

community cabinet meeting a number of carers came along. There were fewer than normal, because all of the publicity scared them away. I just think that is distressing.

The CHAIR: The time for questions from non-government members has now expired.

Mr CHOI: Dot point 7 on page 1-7 of your MPS indicates that your department led and supported the international education and training industry through the Queensland Education and Training Export Board and the Queensland education and training international initiatives in six overseas markets. Could you further outline the benefit of this program?

Mr BEATTIE: I would be delighted to do that. I thank the member for Capalaba. What we are trying to do is develop new industries—and export is an industry. It is a very important job creator for Queensland, it is about the Smart State and it is very well focused. In June 2001 my government adopted the Queensland education and training strategy with the aim of doubling the revenue from the export of education and training services over the next five years to \$1 billion per annum.

This year, close to 30,000 international students are studying in Queensland. International students support more than 7,000 direct jobs and make a significant contribution to the economy of Queensland. The international education and training sector contributes \$700 million to the Queensland economy and, thanks to my government's support, is growing at around 20 per cent per annum, which is a great growth rate. The strategy is being implemented by the 12-member Queensland Education and Training Export Board, which I established, and supported by Queensland Education and Training International—QETI. Strategies introduced by the board have led to collaborative initiatives between private and public providers, including joint market research for the English language and vocational education and training sector and cooperative marketing initiatives for the non-government schools sector. We are doing very well in English training. It is growing rapidly numerically and it means dollars for the Queensland economy.

QETI is building a strong platform for the growth of the Queensland international education and training industry, and it has completed a range of professional development activities across the state including in Cairns, the Gold Coast, Gladstone, Rockhampton, Toowoomba and Brisbane. Professional development activities such as export planning and preparation for schools workshops have increased the understanding within the export education industry of the need for in-depth analysis of capacity and capability before engaging in international marketing, which can only strengthen the quality and position of Queensland international education product and services.

The good thing about all of this is that the educational institutions are working together. You have had an interest in export education for some time. I know that. These bodies are working together. That is a good thing. On my recent trip to the United States I participated in an export education strategy in New York, which was a great success. Two of the officers continued on to Washington to promote it. There are many things that are happening in export education that are incredibly exciting.

I want to say, though, that this is not just located in the south-east corner. This is statewide. The regions of Mackay, Hervey Bay and Ipswich have been particularly active in bringing together their education and training providers to focus on collaborative initiatives designed to bring more international students to their regions. They are working in partnership with the government. SARS was a bit of a worry for us, but the reality is that the international situation makes Australia, and Queensland in particular, very attractive. We are safe, we are reliable, we have high standards and people are coming here.

Have a look at some of the markets. Approximately 50 per cent of the United States of America students currently studying in Queensland are on study abroad programs and are equally keen to experience campus life in the regions. The list goes on. There are Volunteers Abroad projects. It is very extensive and it is working. It is great news for the economy.

Ms STONE: Page 5-3 of the MPS outlines the fact that South Bank beach won the Young Legends Award in the regional Environment Protection Agency's clean beach challenge. Can you outline the program that actually helped achieve this award?

Mr BEATTIE: Yes, I can. I am delighted to acknowledge the presence here of the chairman, Steve Wilson, and Bill Grant, the CEO of South Bank. I want to publicly thank them for the great job that they are doing. They are part of the government's strategy of rejuvenating the city heart of Brisbane. In June 2000 the South Bank Corporation, in conjunction with the Musgrave Park Cultural Centre and the Department of Employment, Workplace Relations and Small Business, launched the South Bank precinct indigenous employment strategy. The objectives of the

strategy were to promote career paths for indigenous people, to increase employment and training opportunities, to build relationships between the business community and the indigenous community and to provide sustainable employment for indigenous people. The project set a target to generate employment for 15 indigenous people within its first year. It far exceeded this number, creating employment for 20 people in careers ranging from customer service and hospitality to bus driving and security.

One of the greatest success stories of the program to date has been the development of Australia's first indigenous lifeguard program. Run by Surf Life Saving Queensland at the South Bank beach, the indigenous rookie lifeguard program was established in November 2001. It is a one-year trainee program. Seven indigenous youths were given training and real-life experience working at South Bank beach to become Australia's first fully qualified indigenous lifeguards. The indigenous rookie lifeguard program is breaking new ground for indigenous involvement with Surf Life Saving Queensland and youth unemployment. With no professional indigenous lifeguards previously employed anywhere in Australia, the program is set to address this shortcoming and provide indigenous youth with work opportunities. Six have since gained employment with surf lifesaving. One of the original trainees, Joel Nagy, won the specialist achievement award at this year's Queensland training awards and was a finalist in the Aboriginal and Torres Strait Islander student of the year category.

The program has already received recognition, winning the Young Legends Award, Moreton Bay at the Keep Australia Beautiful EPA Clean Beach Challenge in November. The success of the South Bank program has resulted in a similar program being run in Townsville and it is also currently being considered in Victoria. The second Brisbane course at South Bank beach started in May this year with an intake of 10 trainees.

I have to say, Madam Chair, that years ago just before I became the humble member for Brisbane Central, when South Bank was in my electorate, I thought whoever designed the idea of the beach over at South Bank needed his head read. I thought it was the craziest, most stupid idea I had ever heard of. I have to admit I was wrong. It was actually one of the cleverest ideas that was ever designed, and it has worked brilliantly. I guess in your political career you are allowed one mistake, and that was it.

The CHAIR: You have had yours.

Mr BEATTIE: I have had mine.

Mr STRONG: Page 1-12 of the MPS includes under 'Output: Government and Executive Services' aviation services for organ retrievals. Could you outline how many hours have been spent on organ retrieval this year and how this compares with previous years?

Mr BEATTIE: On page 1-12, as you point out, is the retrieval program. In 2002-03 the Air Wing continued to provide emergency transport, including 35 organ transplant flights. The police citation aircraft also carried out one retrieval to Auckland, New Zealand on 3 February 2003 when a Hawker jet was out of service for maintenance. Compared to last year, flying time to retrieve lifesaving organs for transplant recipients increased from 79.5 hours to 164.2 hours, an increase of 106 per cent. In fact, organ retrievals in 2002-03 numbered the highest in the last five years.

On no less than five occasions in 2002-03 ministerial flights, including my own, were cancelled to allow organ retrieval operations to be carried out. I made it clear that, when it comes to organ transplants, they come first, ministers come second. I will give you some examples. On 14 August 2002 Minister McGrady had his flight cancelled due to an organ retrieval from Sydney. On 25 October 2002 Minister Robertson has a cancellation. On 5 May and 16 May 2003 Minister Bredhauer had a flight cancellation due to an organ retrieval from Auckland, New Zealand. They do a lot of those in New Zealand. On 13 June 2003 I had a flight cancelled. There was an organ retrieval in Perth. On 17 June 2003 Minister Foley had a flight cancelled because there was an organ retrieval coming from Cairns. If you have a look at that, you can see that lifesaving retrievals have gone up by 106 per cent, which I think is effective and I am delighted about that.

I also want to highlight the fact that the retrieval program coordination is undertaken by Queenslanders Donate. Three different groups undertake the work—teams from Queenslanders Donate, the Queensland heart and lung transplant team at Prince Charles Hospital, and the Queensland liver and kidney transplant teams from Princess Alexandra, and they do an incredibly good job.

I mentioned earlier how my use of the government jet compares to my predecessor, and I just mention this again because you can see that we are running this jet in the interests of Queenslanders. My own use of the aircraft for the last three years was 94.1 hours—the lowest

year total since becoming Premier in 1998. This compares to the hours of the previous Premier, Rob Borbidge, of 241.5 in 1996-97 and 331.1 hours in 1997-98. In five years since becoming Premier, I have used the government aircraft for 624.4 hours. This compares to Mr Borbidge's 618.95 hours in two years, four months and one week. My average is 10.4 hours per month compared with 22.1 hours per month for my predecessor. So you can see I used the jet only appropriately and sparingly in the interests of the state.

Ms STONE: On page 1-17 of the MPS the Community Engagement Division is described as providing the people of Queensland with effective ways for public involvement in decision making to improve policies, programs and services. I know it is on the public record that the Opposition Leader has suggested that abolishing the Community Engagement Division would be a win-win for Queenslanders. Premier, could you provide us with an overview of what you think the impact would be if we did lose the Community Engagement Division?

Mr BEATTIE: I can, and it would basically be these: 61 regional workers would go and a total of 170 staff. The 61 workers are from the regional centres of Cairns, Townsville, Mackay, Rockhampton, Bundaberg, Nambour, Ipswich and Beenleigh. That is what community engagement does. Eight of the staff are working to prevent crime in regional Queensland. In fact, a total of 14 staff are involved in crime prevention in this section. Some 16 staff from Multicultural Affairs would have to go, along with \$2.4 million in grants which they distribute to help community organisations uphold community harmony.

There are also 23 staff, four of them in the regions in the Office of Women and Women's Infolink. The Community Engagement Division is also responsible for the new e-democracy initiatives like the Internet broadcast of parliament and online positioning of parliament, which will allow people from rural, regional and remote Queensland to be involved in democratic processes without making the long haul to Brisbane.

If you have a look at that you will see that this Community Engagement Division, which is often attacked as being some PR unit, is not that at all. It is about delivering services. It includes Multicultural Affairs Queensland—and I am committed to multiculturalism—the Office of Women, regional communities, crime prevention and e-democracy. They are doing a lot of work, for example, in giving support for organising this year's schoolies program on the Gold Coast. If that Community Engagement Division were abolished, then all those staff—170 jobs—would go and 61 of them would be regional. I want to make it clear: I will be keeping all those regional offices open. I am committed to them. As I said, the FNQCED regional office in Cairns has 16 staff; Townsville has 11; Mackay has six; Rockhampton has six; Bundaberg (Wide Bay) has five; Nambour has seven; Ipswich has five; Beenleigh has four—a total of 61. Those people need to understand that they will remain in those positions.

The other thing is that, with the annual grants to Multicultural Affairs, the Greek Paniyiri festival has money, the Italian Festori in 2003 got money, the Vietnamese Year of the Goat 2003 multicultural festival got money, the Mareeba multicultural festival and Bowen multicultural festival got money. These are major institutions in terms of the cultural activity of the state and I believe they should be funded. I believe this department works very, very well. In terms of the role of women and girls, this department is important. Crime prevention, the schoolies program—the list goes on.

In terms of the Community Engagement Division's communication material, it included 626,000 information sheets distributed by Women's Infolink on issues like domestic violence, breast cancer, suicide, teenage parenting, financial security, child raising, depression, employment and other topics of importance to women and girls. I think all that is important. I believe those programs should remain, and I do not support them being cut nor that section being cut.

Mr CHOI: Premier, page 2-3 of the MPS states that the Commission for Children and Young People will publish a book on fathering for practitioners. Could the Premier provide an overview of this project and outline why this initiative is necessary? More importantly, can I get a copy of this book? I need all the help I can get.

Mr BEATTIE: You and me both. I love my three children dearly but you do need all the help you can get, I have to tell you. As you and I both know, fathers play an important role in children's lives. Yet this role probably more than others has changed markedly in recent years. Many men are uncertain of what their partner or children require of them and what it means to be a good father. A unique component of this subject has been the emphasis given to children's and young people's views of fathering.

Some fathers have additional difficulties in fulfilling their fathering role as they live apart from their children. Currently in Australia over 20 per cent of all children under 15 live in single parent families. In most instances it is the father who is the non-resident parent. To support men in their efforts to be good fathers, it is important for governments to recognise and highlight the importance of men's roles in raising children and the difficulties they face in their support needs. The Commission for Children and Young People has done this through the Focus on Fathering project.

This project has highlighted the importance of fathers to the wellbeing of children and young people. It has identified what the role means to fathers and its impact on other family relationships. This project has been conducted over a number of years and has incorporated a number of activities, each designed in some way to increase the focus on fathering from children, researchers, practitioners, mothers and fathers of course themselves. In this way, the project recognises the important role that fathers have in the lives of Queensland children and young people but also further discussion on the issues that impact on men's fathering role.

The commission held a research forum at Griffith University's Gold Coast campus, and its aim was to raise awareness of the relationship between fathers and their children and share information about how changing family structures impact on children and their father/child relationship, and about 170 people went, which is good. Topics covered at the forum included teenage fathering—that is where I need help—the relationship between fathers and their children, the unresolved grief between fathers and sons as well as parenting issues. There are a range of other activities that were covered out there.

I think it is fairly well established that in education parental involvement in a child's education, such as going to their child's school, significantly helps children with their education and, indeed, the role of parents involved. The involvement of both mothers and fathers at every level of the child's development is a very clear signal to assist and to help children in their development. It is pretty tough being a parent in this century. It is pretty tough being a student and a child trying to grow up, too. So the more help that fathers can be given the better. That is what that is all about and I am delighted to see it is happening. Maybe you and I should talk on another occasion and establish a fathers support group.

Ms STONE: On page 9-6 of the MPS the Office of the Public Service Commissioner states that it monitors and reports to government on the progress by the sector towards 2005 targets for women in management roles. Premier, could you provide the details of the process the commission has undertaken?

Mr BEATTIE: Well, the state government has timed to reach or better the women in management targets, but more is to be done to make it even fairer. I am delighted with the outcomes. As you know, the government is committed to improving the representation of women in managerial roles in the Queensland public sector. It is a longstanding issue requiring longstanding strategies and policies.

My government has endorsed the minimum target of 25 per cent of senior management positions, including chief executive officer, senior executive officer and senior officer levels to be women by 2005. As at 11 June 2003, women held 23.7 per cent of these positions. We are nearly there.

Ms STONE: Nearly.

Mr BEATTIE: This represents an increase in percentage terms of 0.9 per cent from 30 June 2002, an increase of 52 in the overall number of senior management positions held by women. That is 252 to 304 positions. Increases have been principally in senior officer positions. As at 11 June 2003 women held 26 per cent of senior officer positions. Since the senior officer group is the feeder group to Senior Executive Service positions, the increased representation of women in this group has significantly increased the number of women in the applicant pool from which senior executive officer appointments are made. This is how you break the glass ceiling.

My government has also endorsed the target of 35 per cent for women in middle and upper management positions by 2005. The sector has already exceeded that target by 30 June 2002. The Office of the Public Service Commissioner provides consultancy advice and support in relation to strategies and initiatives to support the achievement of targets in the longer term. The Office of the Public Service Commissioner also organises and coordinates the Senior Executive Service mobility program that provides leadership development opportunities for senior management employees. In the current year nine of the 19 participants are women.

It is a great story; we are getting there. My department continues to exceed the 25 per cent target. It is also continuing to exceed its target figure of 35 per cent for the employment of women in SES and SO roles by 2005. In addition, there are 20 women either acting or appointed to senior officer level roles, which equates to 41 per cent of positions at senior level roles. So we are getting there.

The CHAIR: Thank you, Premier. The time for questions from government members has expired. I call the Leader of the Opposition.

Mr SPRINGBORG: Thank you very much, Madam Chair. Further to my questions previously regarding the role of the Commissioner for Children and Young People and also reflecting on the fact that notwithstanding the indications from your own Families Minister that the number of reports of child abuse is going to increase by up to eight per cent a year and the fact that you have not facilitated the employment of one additional child protection officer in this year's state budget, has the commissioner written to you expressing her concern? Has she requested the employment of further child protection officers? I am not talking about family support officers; I am talking about actual child protection officers.

Mr BEATTIE: I am happy to go through part of what I said before, but we have worked extensively to increase the number of front line people. As I said, I think I have basically dealt with this question. We have increased the funding to this area in a way that no government has ever been done before. The amount of funding is \$188 million over four years. No government has ever done this before.

Mr SPRINGBORG: There are no new protection officers then?

Mr BEATTIE: Let me come back to what I said. There are 31 additional family support officers to work on alternative care—

Mr SPRINGBORG: Not child protection?

Mr BEATTIE:—and to work on development of an integrated client information system to improve the department's capability to monitor children and carers. There have been a number of programs in the department to increase the number of officers in all areas.

Mr SPRINGBORG: The answer is, no, it is not in your budget.

Mr BEATTIE: I might ask Ms Sullivan to add to that.

Ms Sullivan: Perhaps I could draw the member's attention to the commission's web site, where you will see that I often put up speeches and media statements that I make. I think you will see strong representations there about the need for early intervention in child protection. That has been an ongoing advocacy role I have played over the last couple of years. I think the statement is, do you put an ambulance at the bottom of a cliff or a fence around the top of a cliff? I suppose my priority in the last couple of years has been to look at early intervention strategies to prevent the more severe examples of child protection that you have alluded to. To that extent I am on the public record as advocating for early intervention. I was quite comfortable with the increased focus on early intervention that I saw in the last budget. I was only one of many people who were advocating for that approach.

Mr SPRINGBORG: No new officers though?

Mr BEATTIE: Hang on, that is not right. I will provide that information to you very shortly. I understand that this is an area where there are human difficulties. It is always an area where politics will inevitably end up going, but no government in the history of this state has ever increased the funding to this area as much as we have. People ran away from child abuse. We were prepared to do an inquiry. We had the Forde Inquiry. Admittedly that was into institutional abuse, but we did have one. No government had the guts to do an inquiry like we did. We increased the amount of funding to this department dramatically.

I am not going to sit here and tell you that all of the problems are resolved. They are not. But many of the problems we have now are historic and are ones that we inherited. We are going to resolve them step by step. We have a children's commissioner who has the gumption to come in and make the recommendations that are necessary. We are listening to the children's commissioner. We have increased funding. There are a number of things that are happening to improve services. We have a whole-of-government approach. I can go through it for a couple of years but we as a government have tackled this problem more than anyone else and we are going to continue to because there are still issues to be resolved.

Mr SPRINGBORG: Madam Chair, my question now relates to the office of the Public Service Commissioner and it relates to the temporary accommodation of officers and the guidelines for

people awaiting formal notification of their acceptance to a particular position. I understand, and I accept any further information, that the new executive director of the policy directorate of ATSI had been accommodated in an acting position at the Quest, North Quay, for a period possibly up to eight months or 12 months. Premier, I would appreciate your advice as to whether this is normal practice in the employment of public servants and any further details.

Mr BEATTIE: Can I just be clear? Did you say ATSIC because we do not run ATSIC.

Mr SPRINGBORG: Not ATSIC, ATSI. The Family Services Department—Aboriginal and Torres Strait Islander Policy.

Mr BEATTIE: I am not aware of any detail of such a nature. I am happy to make an inquiry and let the committee know. I will take that on notice. I am not aware of that sort of detail—nor is the commissioner—but we are prepared to find out and come back to you.

Mr SPRINGBORG: I have another question relating to the Office of the Public Service Commissioner. As the Premier recollects, his government's policy was for 12 weeks of paid maternity leave. I note that the federal Leader of the Labor Party has advocated a similar position. I imagine that you would be doing some preparatory work as to the potential cost of this across government. Is there any indication as to the potential cost of 12 weeks paid maternity leave?

Mr BEATTIE: No, we have not done an assessment of it because at this point it is not a policy we are pursuing.

Mr SPRINGBORG: Premier, I would have thought, though, that in government, regardless of the fact that the scenario of the—

Mr BEATTIE: You are not assuming that Simon will win, are you?

Mr SPRINGBORG: No, I am not.

Mr BEATTIE: I am happy for you to make that assumption.

Mr SPRINGBORG: You talk about planning in government. If you make an assumption, then obviously if you have had a policy position yourself, and also if you need to prepare for potential budgetary impacts, there must be some indication of what it would cost, even if you overload on the current six weeks, as I understand it.

Mr BEATTIE: I have already indicated what our policy is. What we do is, obviously, cost our policies. The reality is that—

Mr SPRINGBORG: What was the cost of it?

Mr BEATTIE: Sorry. We are not going ahead with it. I have said that.

Mr SPRINGBORG: You did have a policy of 12 weeks, did you not?

Mr BEATTIE: I said that we are not going ahead with it. I am happy to talk to you until we are all black and blue about what we are doing to make work and making family issues a lot more attractive and all the rest of it, but the policy you asked about is not one that my government is pursuing. That is basically the long and short of it. We are not pursuing it as a policy. I have double checked the bowels of the system. We are not doing it.

Mr SPRINGBORG: No contingency planning, either?

Mr BEATTIE: Not if we are not going to do it. You only do things if you are going to pay for them. You only pay for things if you are going to do them. We do have discussions on how to make work more friendly for families. Cabinet has established a ministerial task force on work and family. We did that in November 2001, fulfilling my government's election commitment to progress work and family issues under the Queensland Families First policy document. The task force first met in April 2002. The task force was established to review relevant legislation and identify impediments to progressing work and family matters, to examine current work and family research and to develop a family friendly action plan for Queensland. You and I might benefit from this at some point, Lawrence. We might actually get to see our families! The task force was established to be representative of unions, employer organisations, community groups, independent experts and government. Issues raised in the consultation process included industrial relations, child care, elder care, disability care, taxation and transfer payments, women who are disadvantaged, education, information, promotion and research. I do not know if there is anything more that I can say about that. We are not doing it.

Mr SPRINGBORG: So you did have a policy on it but you do not now?

Mr BEATTIE: I am telling you what we are doing now.

Mr SPRINGBORG: I now move to the contentious issue of—

Mr BEATTIE: I thought you had been contentious all morning. You mean this is more contentious?

Mr SPRINGBORG: As we know, the Premier's Department has a role in ensuring that strategic development issues and investment propositions get a fair go in Queensland. I turn to the issue of AMC and the role of the Premier and his department with regard to AMC, in particular his blasting of the financial markets for not investing in AMC and seeking to lead some 23,000 mum and dad investors to the conclusion that they should invest in it. What advice did you take that this was a wise thing to propose to these people out there? Would you be prepared to take that advice because you are a Premier not a sharebroker?

Mr BEATTIE: That is true. I am the Premier, not a sharebroker. What I did with AMC was to think about Queensland's future, about a vision for the future. Inevitably when these decisions are made I take advice from the Premier's Department, I take advice from Treasury and I take advice from State Development. AMC is about Australia value adding its own minerals. This is something that Australia has to do. Government can either sit on its bum and do nothing or it can actually act as a catalyst, which is what we sought to do. I might remind the Leader of the Opposition that we sought to do it in partnership with the Commonwealth government. This was a joint approach by John Howard and I, supported by Nick Minchin and Tom Barton.

We did not go into this lightly. When I was a kid I got sick to death, and still am, of Australian minerals being dug out of the ground, being put on a ship, being taken somewhere overseas, including Japan, and being value added to. And then, like a pack of mugs, we buy it back at extra cost.

Yes, there were things that happened at AMC that I am not happy about. They are not government decisions. Our role as a catalyst was to encourage it. There were problems in a number of things the company did, and I am not happy with a number of those things that the company did. I thought it should have tightened up its arrangement in relation to the construction of the plant. That was a company decision. We did not run the company. The government was seeking to provide incentives, both at a federal level and at a state level, to encourage them. We knew that the project had run into trouble—for example the Ford contract, which is on the front page of the *Courier-Mail*. We knew that at that time. We knew that when we rearranged our package to try and keep this alive. We tried to keep this alive in the interests of Australia, in the interests of Queensland for jobs and growth—smart jobs. We also tried to keep it alive in the interests of the small investors that you referred to.

It is easy to say in Australia, 'Well, let this project go overseas.' That is what would have happened. This technology would have left Australia and would never have had a chance here. We are small. There are only 19 and a half million of us. We do not have the capital that a North American market does or that a Wall Street does. If this technology had been available in the United States or Europe, they would have found the money for it without any difficulty. We are small as a nation. Therefore the mum and dad investors put money into it, but they put money into it for the future of this state.

I am not happy with how the company handled these things. I feel very strongly about the mum and dad investors, but my government was trying to play a part, along with John Howard and the National Party federally, to pave a way for future jobs. This project is still alive. It still has the potential to succeed. It needs a major international partner. If it gets one, this project will succeed. I am not prepared to see Australia go down the gurgler without an opportunity for these projects. We cannot be just a beach. If we are, your children and my children will not get jobs. We have no choice. I know that this is a bad damaging political thing for us and I know that you will win on this politically, but what will win in the long term will be jobs for Australians, which is what I want. I stand by everything we have done on this. I am not happy with the way the company handled it. I think it could have done a lot better job, frankly, but I stand by my government's attempt in partnership with your federal colleagues to make this a goer because, frankly, if we do not then we are not going to have jobs. We will just be a beach and none of our kids will have the standard of living you and I have enjoyed.

Mr SPRINGBORG: Madam Chair, the issue here is not the support for this project or otherwise. The issue here is how you as a government respond and advocate it. That was my concern. The fact is that you are the Premier. You have a significant standing in the community. What you say will influence people. If you attack the financial markets, as you did, for failing spectacularly to support a sound long-term investment of smart technology, and you are calling on the investment community—and that includes mum and dad investors who are often influenced significantly because of your standing and in what you say and advocate—then that

puts a greater duty on you to ensure that you are advocating that they invest wisely, notwithstanding your support for the project. They have done that and many of them may have lost as a consequence. What are you doing to make sure that you take better advice on that in the future—that there are processes and procedures, that we just do not go out on those sorts of things. Putting money in is a different story—not your own money but advocating that others do it.

Mr BEATTIE: Let me give you three clear points on this. The first one relates to the prospectus. As you would understand, it was important for the prospectus to set out all of the risks very clearly for everybody. That is the first thing. That prospectus needed to do that to ensure that people who did invest, whether they were mum and dad investors, large corporate investors or institutional investors, knew exactly what the investment risks were. As you know, under the law, to invest in a project you have to invest through an attachment to a prospectus, and that prospectus sets out the risks very clearly for everybody. That is the first thing.

The second thing is that I did take advice from Premier's, Treasury and the Department of State Development in relation to the matter, and I would continue to take that level of advice. But you have to understand that my criticism of the market and my criticism of the lack of investment reflects what I have said here earlier today and on other occasions—that is, that institutions in this country, like superannuation funds for example, do not set enough money aside to invest in Australia.

Let us take the biotechnology industry, for example. The QIC has established a \$100 million fund to invest in biotechnology industries. You do not see the superannuation funds in this nation—and I spoke to some of them in Sydney recently—seeking to do the same thing. They will invest in the international markets. Those superannuation funds can set aside a specific dedicated fund like, for example, QIC has done to encourage the development of our own technology industries like biotechnology. I do not believe our superannuation funds in this country do enough to invest. I will be critical of them today as I have done to their face in Sydney and I will do it at every other opportunity.

I was guarded in what I said, but I make no apology for saying and highlighting that the nature of Australia is such that our investment is conservative. To an extent that is fine, but it means that technology like this does not get a chance. If they had failed in the second fundraising efforts, this technology would be in North America, Lawrence. It would be in North America. It would not be here. They would have flogged off the intellectual property and it would have gone and all those mineral deposits in central Queensland would have stayed there for I do not know how much longer.

I do not like what happened. I think the company ran this business in terms of the construction of the facility poorly, and I have never pulled back from saying that. When we reorganised our support, Prime Minister John Howard came out of federal cabinet and rang me and asked me what we were doing. He and I agreed to continue to support this project. But part of the conditions by which we continued to support this project was that some of the people involved in it would be moved on, and that has happened. A number of the people involved in the management of AMC are going or have gone. That was important for its future. Lawrence, we need projects like AMC or, in a nutshell, we are stuffed, and I will fight for every one of them.

Mr SPRINGBORG: The issue is not fighting for projects. I think we all support the project. The issue is how we do it. The Premier has indicated that he received some advice. As I said before, you are not a sharebroker and there are often, when you are dealing with investment recommendations, cautionary principles which apply. I would appreciate if you could advise us as to the extent of that advice, whether or not it supported your position and whether you would be prepared to table it. But you basically told people to invest. You told the mums and dads to invest and you invested taxpayers' money.

Mr BEATTIE: I did not do that.

Mr SPRINGBORG: The other issue that many of them would actually ask is: did you invest yourself personally? Were you confident enough to actually personally invest in it and buy shares?

Mr BEATTIE: I would have liked to have done that except I would have ended up before the Integrity Commissioner, the CMC, the CJC and the Norman Luboff choir.

Mr SPRINGBORG: That was an interesting comment.

Mr BEATTIE: The fact of the matter is that I am not allowed to do that. I said right at the beginning when I became Premier that I would not own shares. I invest in managed funds, as you know, and you can see my pecuniary interest. I do not individually invest in shares. When I

became Premier I sold my investment in shares. I did have a share portfolio and I sold them to invest in funds. It is inappropriate. I would be seen to have had a conflict of interest if I had invested in this AMC project. I did not tell people to invest. I went out to do what I could to support a project for the future of this nation.

Can I make a point about the advice that I gave. AMC was a technology developed in conjunction with the CSIRO and came out of some funding that the Goss government put in many years ago for technology. In my discussions with State Development, Treasury and Premier's what I wanted from them was advice about how we could prudently support this project. They came back and gave me the advice, the model of our investment, and how we could in fact on behalf of the people of this state generate investment in a major project like AMC. But can I tell you this, Lawrence: everything we did was contingent on this being in partnership with the Commonwealth. If the Commonwealth had not been a partner in this we would not have gone ahead. I have to say that I have not had any criticism from John Howard or any criticism from Nick Minchin in relation to this project. I have to say to you that I applaud the federal government for standing with us.

In terms of what I said, I just repeat what I said before—that is, in terms of the advice that was given, the advice in the prospectus is the advice that people act on when they invest. Now, I have bought shares and, yes, I do invest in managed funds. But you rely on the prospectus and that prospectus sets out clearly what the positions were. In addition to that—and I have been reminded on this—there were a number of consultants and advisers to Treasury on the deal. Clayton Utz, the lawyers, were involved. There were accountants who had consultancies with Treasury. We took the best advice both within government and outside government before we made this decision of support.

I have to say, Lawrence, that I am conservative when it comes to finances, particularly when it is public funds. Had I not been the Premier, I would have invested my own funds in AMC. I would have invested my own money. Yes, I would have put my money in AMC. Had I not been a politician, I would have invested because I believe philosophically that—when I say 'not a politician' I mean if you are not a minister, because if you are not a minister you are in a different position; you can invest. If you are a minister or a Premier you should not, but if I had been a private citizen I would have invested my money in AMC because I believe in the Australian dream. I believe in the Australian vision, and I believe in Australia's future.

I believe this project still has a chance of succeeding. If it gets an international partner, then it has a chance of succeeding. Anglo is still a possibility, I am led to believe. There are others that are being pursued. If this happens, everybody is going to benefit out of it. But I took the best advice available and it is the advice on the indication I gave. Specifically to answer your question, people use prospectuses and in that prospectus—and I am happy to provide the committee with a copy of the prospectus if you want—you will see the position spelt out. In fact, I will provide the committee with a prospectus. You judge yourself, Lawrence, whether you would have invested money after looking at this prospectus. I believe that it was prudent advice to shareholders. Whenever matters go to the market you know there is risk. There is always risk. Look what has happened to equity markets in the last two and a half years.

The CHAIR: It is now time for questions from government members.

Mr STRONG: I refer to the MPS at page 1-8 which refers to high level negotiations with the Commonwealth government on environment and resource management issues, in particular on proposals for a joint approach to vegetation management. Premier, can you provide an update on any recent documents received from the Commonwealth relating to a \$150 million tree clearing package?

Mr BEATTIE: I would be only too delighted to do that. The respected Australian Bureau of Agricultural and Resource Economics has backed the Queensland government's view that the so-called DPI report on tree clearing completed in 1999 is worthless. The DPI report promoted by the Queensland opposition is exposed as a complete dud that does not stand up to scrutiny. As you know, the Opposition Leader has been trying to sell the farcical report as the Holy Grail of tree clearing science.

ABARE's independent review supports the Queensland government's decision to reject the 1999 report when recommending compensation for land-holders who would be affected by a halt to broad scale remnant land clearing. This vindicates the view of the Commonwealth and Queensland governments that their proposed \$150 million land clearing package is fair. I forwarded this 1999 report to the Prime Minister in May to settle once and for all arguments about its credibility. The arguments are now over.

That DPI report by one officer is a dud—a complete dud. Its conclusion that \$500 million would be needed to compensate land-holders stems from seriously flawed assumptions. It assumed that only six per cent of the area studied was uneconomic to clear. It included areas to be cleared in forests, towns, wetlands, national parks, state forest, areas already protected under the Vegetation Management Act, and hilly and salinity affected land. ABARE concludes that about a third of Queensland is uneconomic to clear. If the 1999 report had used the correct methodology, the spurious estimate of \$500 million as suitable compensation would have plummeted to only \$42 million. That is just 28 per cent of the \$150 million the Commonwealth and state governments are offering.

Other major flaws in the 1999 report include an assumption that all clearing would occur in 12 months. ABARE believes a 25-year time frame is more realistic. There was also the assumption that 52 per cent of available land would be used for cropping. ABARE finds that, based on the Statewide Landcover and Trees Study, SLATS, only two per cent of Queensland would be suitable for cropping. ABARE had exposed the desperate tactic by the opposition to undermine the Commonwealth and Queensland government's offer to land-holders. It is a shameless report. The truth is out. The credible ABARE report shows that those attacking the Queensland government's position are wrong. ABARE has now confirmed the Queensland government's position, and I am happy to advise the committee of that. We have just been formally advised.

Mr STRONG: Something on a different note now. On page 4-5 of the MPS under the Queensland Events Regional Development Program, an output of Queensland Events Corporation, it states that 45 events were supported. I also note there have been several news reports on the success of the inaugural Polocrosse World Cup. Could you please provide the committee with an overview of this event and how this event has assisted the local area?

Mr BEATTIE: You bet. This is what regional events are all about. The inaugural Polocrosse World Cup was held at Morgan Park in Warwick from 22 April to 4 May 2003. Les Fraser and a local organising committee from the Warwick Polocrosse Club Incorporated organised the event. My government, through the Queensland Events Regional Development Program, in round 3 provided \$25,000 for marketing and the employment of a public relations consultant. Teams from Australia, the United States of America, Canada, the United Kingdom, Ireland, New Zealand, South Africa and Zimbabwe competed in the World Cup. An independent economic impact study was conducted by the University of Southern Queensland, the Southern Downs Tourism Association, the Warwick Shire Council and Mission Australia.

Some 25,000 people attended Morgan Park for the World Cup, which is believed to be the largest attendance at any polocrosse event ever seen in the world and more than double that ever hoped for by the organisers. Some 85 per cent of cup visitors were from outside Warwick shire and 99 per cent of these visited Warwick especially for the World Cup. Visitors accounted for 21,000 people nights in Warwick. They not only enjoyed a comprehensive program of world-class polo but an exciting opening ceremony on 28 April, a breakfast with the stars at Morgan Park and a week-long program of entertainment. The estimated expenditure by the visitors was approximately \$A1.05 million. From data collected from various sources and by a survey of visitors, it is estimated that the impact of holding the cup in terms of local economic activity amounted to \$1.3 million.

That is the benefit of this regional development program. I picked out one highlight because I knew it would be in the knowledge of the committee and I knew the Leader of the Opposition would be familiar with it. It just highlights that this regional events program, which we are continuing in my department, is a success.

Earlier a request was made by the Leader of the Opposition, if I could answer this now, in terms of child protection positions. I am happy to tell you that in the last four years there have been 250 new positions in total. In 2002-03 there were 46 new positions. In 2001-02 there were 50, in 2000-01 there were 77 and in 1999-2000 there were 77. That is a total of 250 new child protection positions. The Future Directions policy also identifies 92 additional departmental staff. Some 46 of these are new child protection officers, including Family Services officers, Reconnect workers, and indigenous family and community workers. In addition, even more child protection related positions were created in the non-government sector. So there you go. That is what I said.

The CHAIR: Thank you, Premier.

Mr CHOI: Premier, at page 1-1 in the departmental overview you state that the mission of your department is the coordinated delivery of government priorities which includes the priority for more jobs for Queensland, skills and innovation and the Smart State. You also recently announced initiatives that will further develop biotechnology in Queensland. Would you please

outline for the committee some examples that demonstrate how the government is building biotechnology in this state?

Mr BEATTIE: Thank you for that question. While I was in Washington DC last month at the BIO2003 conference I announced a number of initiatives designed to strengthen Queensland's biotechnology industry and its international profile with a view to attracting further investment in this vital and growing employment sector in Queensland.

These initiatives are funded from the Queensland government's Smart State Research Facilities Fund, which is a key component of our \$150 million Smart State strategy for Queensland. It was \$100 million, but we have now increased it to \$150 million. A couple of good examples of these initiatives, because they demonstrate both the social and the economic benefits they bring, are as follows: \$10 million funding for the \$17.5 million Clinical Trials Centre at the Mater Medical Research Institute for research into some of the most common cancers, and \$12 million funding for the \$34.5 million Eskitis Institute for Cellular and Molecular Therapies at Griffith University to enable it to conduct world-class research into spinal cord damage and Parkinson's disease.

The Clinical Trials Centre at the Mater Medical Research Institute will focus on developing more accurate and early diagnosis for cancer patients and will aim to pioneer therapies and treatments for cancers such as breast and prostate cancer and multiple myeloma, or cancers affecting bone marrow. The centre will place the Smart State at the cutting edge of cancer research. About 426 Queenslanders in every 100,000 are diagnosed with cancer every year, compared with the national average of around 396 in every 100,000 people. Cancer kills 40,000 Australians a year, making it second only to cardiovascular disease as a cause of death. Finding a cure is vital. The centre will conduct phases 1 and 2 clinical trials for biological and pharmaceutical cancer therapies. It will enhance the Mater's reputation as a world-class cancer research institute. That reputation has come about because of researchers such as Professor Derek Hart and his team, who are working on a new form of treatment using the body's own immune system to fight cancer.

This \$10 million grant will enable the institute to build and fit out a clinical trial centre as well as a central tumour bank facility with specialised medical imaging and digital communications equipment. This bank will store tumour, blood and bone marrow samples from patients. It is a vital facility because none of the efforts put into taking new ideas from the lab and testing them on patients can occur without a well funded and ethically managed bank of archival cancer tissues. This funding to the Mater will enable it to work in conjunction with researchers at other centres, including the Wesley Research Institute, to collaborate on areas such as cancer research.

The Eskitis Institute for Cellular and Molecular Therapies at Griffith University will receive \$12 million to enable it to conduct world-class research into spinal cord damage and Parkinson's disease. Researchers such as the 2003 Queenslanders of the Year, Professor Alan Mackay-Sim, whose team pioneered a procedure for harvesting and cultivating nasal cells for transplantation into the spinal cord of patients, will potentially help thousands of people. I table the remainder of this for the information of the committee. It is a great project. It is world leading. That is where the jobs of tomorrow will be. This is about innovation, Smart State and biotechnology.

The CHAIR: Leave is granted.

Mr STRONG: On page 4-6 of the MPS the Queensland Events Regional Development Program output of the Queensland Events Corporation states that the Isisford fishing competition and festival was a great example of the success of the program. Can you advise—

Mr BEATTIE: The local member has an interest in this.

Mr STRONG: Can you advise the committee of the benefits of supporting regional events and why the event was considered such a success?

Mr BEATTIE: I could hardly argue with you; it is a great success and I am delighted that you have raised it. The establishment of the Queensland Events Regional Development Program was an election commitment of my government, and the program is now in its second year. Queensland Events administers the program through its secretariat based in Townsville, which continues to reinforce my government's commitment to regional Queensland. With \$3 million over three years the program focuses on events that increase local economic activity and development, enhance the appeal of the destination where they are staged and enhance the visitor experience. To date there have been a total of four funding rounds, two of which have been held in this financial year. Some 157 submissions have been received in the second year of

the program and a total of 45 events have been supported across regional Queensland. These events were provided financial support of between \$5,000 and \$50,000.

In the second year of the program a total of \$859,796 has been provided to these 45 events. The balance of the \$1 million is used to meet operational costs. This year Queensland Events secured a sponsorship of \$100,000 from Telstra Countrywide which enabled additional regional programs to be supported. The program is a development program which identifies events that have the potential to develop and grow.

The Isisford fishing competition was held on 13 and 14 July 2002. It focused on freshwater fishing, in particular for yellow-belly, in the Isisford area of the Barcoo River on the historic Oma Waterhole. The Isisford Industry and Recreation Association organised the inaugural event. I will have to go and have a look. This event was the best testament to the success of the Queensland Events Regional Development Program and the potential benefits of events to a region. The population of the Isisford shire, according to the Australian Bureau of Statistics, in 2001 was just 269 people. It is located 100 kilometres south of Longreach. The event organisers received \$20,400 from the regional program to market and stage this inaugural event. The event attracted 530 participants, of which 50 per cent came from interstate, from as far away as Tasmania, as you would, and the Northern Territory, as you do, and drew many favourable comments. Mr Robert Bauer, Treasurer/Secretary of the Isisford Industry and Recreation Development Association said, 'We would like to take this opportunity to formally thank Queensland Events for its generosity and assistance in working with us to bring this event to a successful end.' Mr Bauer added that 'the fishing competition not only provided a lot of people with a host of fun during the weekend but had a significant impact on our developing tourism industry and the confidence of the community.' The list goes on. The organisers were again successful in round 4 of the program in securing \$18,571 in financial support for marketing and the provision of temporarily infrastructure for the 2003 event. It works.

I made reference earlier to the ABARE/BRS assessment of the Queensland Department of Primary Industries report in relation to tree clearing. I indicate to the committee that I have asked for a copy to be prepared and tabled for the information of the committee. At 1 o'clock I will have a copy to table.

The CHAIR: Thank you, Mr Premier.

Ms STONE: I note on page 1-7 of the MPS that the Policy Advice, Coordination and Cabinet Support output of your department has developed several projects with the Smart State theme. I know Smart State is a key agenda for the government. Can you please advise the committee what the Smart State initiative aims to achieve and what Smart State initiatives have been delivered to Queensland?

Mr BEATTIE: I thank the honourable member for the question. I know that we ran into a bit of public speculation when we brought in the Smart State number plates. That was a deliberate strategy to encourage public debate and education about Smart State. Smart State is our future. Without it we are not going to get the jobs of tomorrow. Australia as a nation has to wake up to that fact. We need a smart Australia, otherwise we will not get the jobs of tomorrow. In May 1999 cabinet approved the development of a whole-of-government Smart State project to be undertaken by my department. The Smart State initiative aims to: build on and enhance the fundamental directions established by the government, re-position the state in national and international arenas, and position Queensland to take advantage of the information age. I should add, to develop a culture of innovation where we are smart about what we do. The policy is directed towards achieving the government's priority—more jobs for Queensland—skills and innovation in the Smart State. My department has continued to develop the Smart State agenda, producing budget related papers each year which highlight the government's key investment towards moving Queensland forward.

The 2003-04 budget delivers significant new investments in Disability Services and Health, which is outlined in *Smart State—Improving Our Lives*. The budget also makes key economic investments in strategic infrastructure, research and innovation and education and training, as outlined in *Smart State—Creating Opportunities for the Future*. 2003-04 Smart State initiatives include an additional \$100 million over four years to drive research and innovation—the Smart State strategy, which I referred to before and which is now \$150 million—employing 636 additional teachers by semester 1 2004, a record investment of \$4.63 billion in 2003-04 to secure a healthy future for Queenslanders, and additional funding of \$200 million over four years to improve services to people with a disability, their families and carers.

I thank the Leader of the Liberal Party for this: the Smart State should be non-political and bipartisan. I notice that he has endorsed it as a matter of principle. I was delighted that the Leader of the Opposition, as he now is, and the Leader of the Liberal Party attended BIO last year. The nature of politics is that we will always get into political argy-bargy from time to time, but we do need to think of the future of our children. A good education system with an extra year of preschool, lifting the school leaving age to 16, investments in biotechnology, IT, education, getting better packaging for our primary industries, getting a better export culture, value adding in minerals, such as AMC, having additional airlines and a new aviation industry based around Virgin Blue, Qantas and Australian Airlines—that is what Smart State is about. It is about innovation, about doing traditional things smarter in every area of activity in the economy. That is why at the end of the day the Smart State is the future of Queensland.

We can become in a sense the innovative state of Australia. That is what our vision is and that is what we hope to deliver. It is working. As I said, we have the lowest level of unemployment in 13 years. It is still too high, but we do. Out of those we have 4,200 jobs from the new aviation industry. Five years ago we did not have one. Now we have a whole new aviation industry. That is what Smart State has delivered.

Mr CHOI: I refer to page 1-9. The Policy Advice, Coordination and Cabinet Support output of your department refers to growing the Smart State. You recently announced a \$50 million enlargement of the government's Smart State Research Facilities Fund. Would you please provide the committee with details of this fund and the names of grant recipients from this fund in round 2?

Mr BEATTIE: The Smart State research fund now has \$150 million. It is a key component of my government's Smart State strategy for Queensland. The fund is designed to be a catalyst for significant advances in infrastructure that supports world-class scientific research in Queensland. It will assist in attracting the world's best scientists to work in Queensland and share their expertise and knowledge with scientific researchers in our many world-renowned research facilities. I will go through the details of the second round in a minute. This is about reversing the brain drain. This is about a brain gain for Australia. That is what it is designed to do and will do. That is why it is important that we leverage money from other institutions. We have to remember that we advance money for these research institutions but they leverage money out of all sorts of other areas—the federal government, the United States and private benefactors. They leverage money from a number of sources. That is what is important. The amount of money we put in is not the total amount. I will show you what I mean. In the second round of grants under the Smart State Research Facilities Fund we are putting \$10 million towards a \$17.5 million Mater Research Institute Clinical Trials Centre at the Mater Adult Hospital, which I referred to before—it has to raise the rest; \$800,000 towards a \$10 million Wesley research institute clinical trials centre at the Wesley Hospital—we are not even putting in a tenth of it, but we are the catalyst; and \$12 million towards the \$34.5 million Institute for Cellular and Molecular Therapies at Griffith University. We are the catalyst; they have to deliver the rest. We are putting \$3 million towards the Queensland micro-technology facility in Brisbane. \$5 million has been allocated for a tropical marine science centre of excellence, which is expected to have nodes in Brisbane and regional Queensland. We have put in \$1.7 million towards a \$2.8 million Queensland animal breeding facility at the Herston Medical Research Centre. That is what produces a brain gain. That is what will produce the research outcomes that can be commercialised for the jobs of tomorrow. That is why it is such an important fund.

The CHAIR: The time for questions from government members has expired.

Mr SPRINGBORG: I refer to the operation of government media units. You indicated before that the Community Engagement Division is not a PR unit. I refer also to another broken promise from you in 1998 when you said you would be banning appearances by ministers in taxpayer funded government advertising. Unless you have a very good double, I have seen your photo a few times since then.

Mr BEATTIE: It is pretty cute though, you have to admit.

Mr SPRINGBORG: You have waxed lyrical again about Fitzgerald and that it is about what you do and not what you say. Would you now be prepared to implement the recommendation in section 3.93 of the Fitzgerald report regarding media units and press secretaries, namely, that we should establish an all-party parliamentary committee to monitor the cost and workings of ministerial and departmental media activities, including press secretaries—looking at the cost, looking at whether it is propaganda or otherwise, and reporting it to parliament and addressing

any such misrepresentations—or is this another case of your quoting Fitzgerald when it suits you and not doing as he says?

Mr BEATTIE: As you know, when we came to government—I indicated prior to coming to government that we would look at a number of things—we spelt out generally what we thought we would do. We produced a Queensland government Advertising Code of Conduct, which we operate. That operates across all government departments, including mine. In terms of our costs, I have provided you with the total cost of advertising and productions for my department in 2002-03. For that financial year it was \$519,867—as at 7 July. I have provided the committee with every item of that breakdown—television, radio and newspapers.

By way of comparison, the Borbidge government authorised the department to spend \$2.34 million in 1997-98 on promotional advertising in the run-up to the election in June 1998. That expenditure included \$1.8 million for the placement of advertisements and \$540,000 in production costs. So there was half a million dollars for us last year and \$2.34 million for the Borbidge government in 1997-98. My government is not like the federal government, which spent \$160 million on advertising in 2001 and recently spent \$21 million on advertising for the Medicare reforms and \$15 million to warn Australians of terrorism through television advertising, a mail-out campaign and fridge magnets. We have done none of that. We stick by this advertising code of conduct. You compare our half a million dollars with the \$2.34 million in Borbidge's last year and the federal government. We are frugal, we are reasonable and we are sensible.

I will go through the detail. Advertising must be directed at and focused on the sections of the community to which it is relevant. It must have an educative or informative role, dealing with something that is new or about which the community is unaware. The clear benefit from any government advertising must be its informative or educative role so that there can be no perception of any party political benefit. All our ads meet those guidelines. As for my photo in it, that is just a bonus.

Mr SPRINGBORG: I wish we had a lot more time today. Moving on to the issue of bonuses for directors-general, which comes up every year. I would like you to concentrate on three, Premier. We have seen you go to Cairns recently and overrule the EPA in terms of the Bluewater development. Considering you have waxed lyrical about process, yesterday you overruled another process. You have the problem of waiting lists in health and you have also got the problems of foster carers and children at risk in families. Can you indicate whether any of those DGs will be getting a bonus this year? To what extent are those bonuses?

Mr BEATTIE: As you know, on 7 July 2002 I announced that performance bonuses would not be built into any new contract of employment for departmental CEOs. I have been through that. The committee will recall that I have taken steps to ensure that information regarding CEO remuneration is published through an addition to the minimum reporting requirements for departmental financial statements. These statements are issued annually by the Treasurer under section 97(1)(B) of the Financial Management Standards.

You know that the Auditor-General wanted more detail. We now produce the total amount in the Public Service Commissioner's report. It is published every year. There is no secret about the amounts. To be perfectly honest, I got sick of all the nonsense, so we stopped paying them for any of the new contracts. Those that we have an obligation to complete have been completed. I do not know where we are with all of that. The fact is that we are phasing them out and getting rid of them.

I think that is regrettable. I brought the system in. But CEOs will continue to be held accountable for the performance of their departments. We continue to work with them to make sure that we get outcomes. I do not disclose the individual bonuses. I am not going to embarrass my DGs. I am happy to tell you that I have not paid 100 per cent to any DG because I am lousy and I am hard to get money out of, as they know. They work very hard. I want to pay tribute to my DGs. I think they are a class act. They work very hard on behalf of this state. I make sure that they do. They work very hard, but none of them will be paid 100 per cent. The total amount is disclosed in the annual report by the Public Service Commissioner. There is no secret about the amount. If people want to know how much we pay, it is there. As the scheme winds down, any future amounts will be there.

Mr SPRINGBORG: So you are happy enough with the performance of all of those DGs, notwithstanding the significant issues within those departments, to pay a bonus?

Mr BEATTIE: Am I happy with my DGs?

Mr SPRINGBORG: Like the QIC—every player gets a prize or what?

Mr BEATTIE: Every player has a lot of trouble getting anything. I have put on the parliamentary record, if I recall correctly, how this is done. We have worked very hard through a system of objective assessments. I get a brief from the Public Service Commissioner. They have a look at the performance. They are given a criteria. That criteria has to be met. I give them targets. I have spelt this out in the House. I can bore the world by reading it all to you. I have set out exactly the high expectations of the government.

The requirement to report the range in which each CEO is paid and to indicate whether or not any bonus or allowance is payable ensures general transparency about the level of salaries. All the details are there. The only thing you do not have, Lawrence, is the individual amount paid to each CEO, but you have the total amount. I do not think there is any great secrecy in this. I have used the bonus system as a lever to get the best possible results.

I will make a very frank comment to you, and I am not being clever. I am really surprised that your side of politics does not support the bonuses because it is a lever to get the best possible results. It gives the Premier of the day—and you need to think about this one day—an opportunity to use that bonus to absolutely ensure delivery. There is this naive notion around that because people are in the public sector they will produce brilliance on every occasion because it warms the cockles of their hearts to be able to serve. There are a lot of people whose hearts get warm with the opportunity to serve—and I would say that applies to most Public Service employees. But I would like a little more lever to lift the warmth of their hearts to perform to the level that my government expects. I am difficult to work for. I expect the best out of all my people, and CEOs. Some of them, behind my back and in their private mutterings during their sleep, are perhaps not as charitable as I would like them to be. I expect performance. You have to use whatever vehicle you can to get performance and that is exactly what we will do.

Mr QUINN: Can the Office of the Public Service Commissioner provide the most recent figures for the size of the Public Service in Queensland? Normally they report towards the end of the year, but they do it on a financial year basis. Since that time has just passed, I was wondering whether they have the most up-to-date figures now.

Mr BEATTIE: I will ask the commissioner to do that.

Ms Hunter: The June data is available but it is not yet accurate. We go back and ask departments to review it and to provide us with a full acquittal. The June data is still in a raw form. The estimated actuals within the MPS reflect, we believe, a reasonable status.

Mr QUINN: I have a question about the Queensland Events Corporation. How much financial assistance was offered to Surf Life Saving Queensland to help them secure the national titles from 2006 onwards—the contract we failed to achieve?

Mr BEATTIE: As you know, the Gold Coast is in the unprecedented position of having had this event for 10 years—from 1997 to 2006. Such tenures will never again be held in any state. The event still has three years to go on the Gold Coast. Queensland's offer was a collaboration between Queensland Events Corporation, the Gold Coast City Council and Surf Life Saving Queensland. Queensland's offer represented a multimillion dollar investment over five years and would have seen the joint investment in the event increase by 175 per cent over the current agreements in place with both the council and Queensland Events Corporation.

The quantum of Queensland's financial commitment took into account the cost of staging the event as opposed to the minimum amount sought in the tender, the real economic impact of the event and the required investment in the event compared with the state's investment in similar events. The Queensland government was not prepared to commit to a financial package that would have required the state government to provide substantially more in funding to the SLSA than the SLSA expends in the actual staging of the event. That was the heart of the problem.

The real economic impact of the event to the Gold Coast was measured by an expert commissioned jointly by the Queensland Events Corporation and Surf Life Saving in 1997 and 2001 as approximately \$13 million. That is not the \$20 million to \$25 million and upwards figure frequently quoted. While the championships are a major event, it actually attracts fewer competitors on average than the Gold Coast Marathon and the Pan Pacific Masters Games. Both Gold Coast events are supported by the state government through Queensland Events Corporation.

Surf Life Saving Australia has consistently advised that it was under pressure from state bodies outside of Queensland to move the event. Therefore a decision to rotate the championships was expected. There were some misleading public comments regarding this

matter that were corrected by the chairman of the Queensland Events Corporation in a letter to the editor of the *Gold Coast Bulletin* published on 16 July.

If you go back to the beginning of what I said, the Queensland offer represented a multimillion dollar investment over five years and would have seen joint investment in the event increase by some 175 per cent over the current agreements in place with both council and Queensland Events Corporation but we were not prepared to commit to a financial package that would have required the government to provide substantially more in funding to the SLSA than the SLSA expends in the actual staging of the event.

That is your answer, but let me get to the heart of it, Bob. I was advised that this was going to Perth and we could have offered them South Australia, Tasmania and 10 colour television sets and we still would not have got it. It is like investment incentives—at some point you have to say enough is enough. We wanted this event. Do not misunderstand me, we would like to see it come back to the coast after the three years and when it goes to Perth. The reality is that after Perth it is scheduled to head to northern New South Wales. So they have planned the future of it. The fact that we will have had it for 10 years meant we were not going to get it. They had already made a decision on the board. I am told that it was going to go elsewhere and nothing we offered would have changed it. That is what I am told. I do not want to get into anymore argument about this. We have had it. It has gone on and on. That is what I am told, Bob.

Mr SPRINGBORG: Most of our shadow ministers have asked questions of ministers regarding internal audits.

Mr BEATTIE: Internal audits of what?

Mr SPRINGBORG: Of matters within your department—how many internal audits had been undertaken and the results of those—and we understand that it has created a bit of a flap in some places.

Mr BEATTIE: There has been a lot of flapping in my department. It is part of the health energy program. A healthier Public Service it is called.

Mr SPRINGBORG: There will be a bit more after I have asked this question. The answer coming back was 'The attached table details the issues and findings of audits completed by the unit. However, please note seven evaluations, audits and short audit tasks have not been provided as disclosure of the findings could reasonably be expected to prejudice the effectiveness of implementation.' Can you assure this committee that there is nothing in any of those particular internal audits that relate to official misconduct, potential criminal charges or maladministration?

Mr BEATTIE: I have to tell you that I am not aware of any matter pertaining to any of these audits that would have produced that result. If they had, as a matter of normal course, they would have been referred to the CMC or to the Auditor-General or to the police. That is simply the way it works. We have ministerial offices audited—everybody is audited as part of the process. If you have a look in there at the ministerial office operating reviews and the office of the Minister for Environment, you will find that the office was found to be operating effectively. We have provided you with the information about all of the others. I do not know the flap that you have referred to. The flap may have been that I said that we were going to release all of this information to you, because we have nothing to hide on these things. But I just say again that what we are about is openness and accountability. Young Videroni who does these things does them very, very well.

Mr SPRINGBORG: What sort of things—

Mr BEATTIE: Here we go. The internal auditor says that there were none. So there you go. That is the end of that. Well done, internal auditor, wherever you are. So there were none.

Mr SPRINGBORG: I do not know what all the flapping was about in some of the other departments. But, anyway, what sort of things would be potentially prejudiced as a consequence of the release of any of these reports of internal audits. What sort of things? Let us talk about hypotheticals, even.

Mr BEATTIE: You have asked this question. Ministerial office operational reviews, office of the Minister for Environment. The objectives: to ensure that the office operates efficiently. The findings: the office was found to be operating effectively and with respect to financial management it was found that a strong control environment is in place. So the only thing that I can think of is that some of them are probably midway through the investigation or the audit, but I would have thought, based on what I just said, that there is the finding. There is nothing hidden about the Minister for Environment, for example. We have told you what it is.

You have to remember, though, that in addition to all of that, the Auditor-General is hanging around and he can look at whatever he likes in terms of audits. The CMC can look at things. There are layers upon layers upon layers. This is our own internal system to make sure that the systems work, but then there are independent officers who can also deal with issues.

So I do not know that there is any big deal. We have told you the outcomes that you want. Are there any particular ones that you want more information on? I am happy to look at that. Is there any one on that list that we gave you?

Mr SPRINGBORG: The issue, as I said, was the matter of internal audits and the way a number of them are conducted. I am just trying to get a bit of an idea of what was happening within departments. I was just interested to know the type of thing that could be prejudiced as a consequence of the release of that information.

Mr BEATTIE: If you have a look at, say, the Department of Environment, for example, the one that I was referring to before. The objectives are: to ensure that the office operates efficiently and effectively in support of the minister's duties, the management practices and procedures, financial administrative procedures, including controls, delegations—and that is always a difficult one—travel and entertainment expenses and human resources. If they found that there was something wrong with travel, for example, to answer your question, that would be identified. If there was a problem with entertainment expenses, that would be identified. Whether their procedures are right, that is what they looked at in terms of the Minister for Environment and they found that he was fine.

So that is what we do. My chief of staff and I will consult with the auditor and make sure that, through the internal auditor, everyone gets audited at some point in time. From my point of view, I want to make sure that the managerial practices and procedures are in place and that they are operating effectively. From a management tool—and I know that you are looking at this slightly differently—but from a management tool, what a government wants is every one of these offices to run effectively and properly. I do not want a problem; I want these internal audits to identify if there are problems with travel. I want to know we can fix it before the Auditor-General turns up. We want to make sure that our systems are operating effectively. That is what we try to do in terms of ministerial offices and departmental offices. We live in an unprecedented era of accountability. I take that very, very seriously. It is tough. It is tough on the public servants who are here, it is tough on my department—it is tough on everybody—but it does work.

I can provide some additional information. I have been advised—and I will need to provide you with additional information, because I do not think that this answers totally your question—that DATSIP advertised the position of executive director, policy directorate, but was unsuccessful in attracting a suitable appointee. A temporary contractual appointment was made in March 2002. As part of this arrangement an incentive was offered to assist with the payment of accommodation. It was this incentive payment which attracted a suitable candidate in an acting capacity. The position was recently advertised and filled with the acting incumbent now being permanently appointed on 19 June. No accommodation support has been paid since the appointment. The only issue in there that has not been answered is the period of time. I do not know the answer to that. I will have the committee provided with that information—unless we have it here. Do we have the time? We do not, but we will find out.

The CHAIR: The time for non-government members questions has expired. I call the member for Springwood.

Ms STONE: I note on page 1-12 of the MPS that the government executive services output of your department states that it provides strategic advice and whole-of-government coordination in relation to counter-terrorism. I also note that the department has established a security planning and coordination unit.

Mr BEATTIE: We do.

Ms STONE: Could you outline the key function of the unit and how it works with other government agencies to address counter-terrorism issues in Queensland?

Mr BEATTIE: Firstly, let me put on record my thanks to you for the Throaties; I can now actually answer your question. That is not commercial; that is cash-for-comment, no doubt. Security planning and coordination is a new temporary unit, which was formed in February 2003, to provide whole-of-government coordination for security issues, particularly in relation to counter-terrorism. Security planning and coordination is part of state affairs within the governance division and works in close partnership with the counter-terrorism coordination unit within the Queensland Police Service. The Security Planning Coordination Unit, on behalf of the Queensland

government, has liaised with the Commonwealth government and made significant contributions to establishing a national approach to counter-terrorism in Australia.

In late last year, the unit assisted the government in developing the Commonwealth government's national counter-terrorism committee's national principles document for the protection of critical infrastructure, which is now the blueprint for coordinating counter-terrorism activities for critical infrastructure across Australia. The unit developed a critical infrastructure assessment matrix—not called after the movie—which was adopted by the national counter-terrorism committee and has since been used as the national standard for identifying critical infrastructure. The unit has supported Queensland representatives on the national counter-terrorism committee and contributed to the counter-terrorism agenda at a national level, including the critical infrastructure working party and the trusted information sharing network, which has been established by the Commonwealth government.

The unit has provided security advice to Queensland government staff travelling overseas and facilitated the approval of 28 overseas travel requests. The unit has progressed four major counter-terrorism related projects. I should advise the member that I have, in fact, recently rejected the overseas applications of two, if I recall correctly, public servants to travel to a particular region in our near neighbourhood. I have done that because of our duty of care. We examine very carefully where public servants go. Very often I find public servants are very dedicated, committed and enthusiastic about their responsibilities and often do not think as much as perhaps they probably should about their own personal safety. That is our job. I have probably made a couple of people unhappy, but their welfare is our responsibility.

Tourism, as we all know, has changed the face of the world. We need to make sure that the planning is done. That is what this unit effectively achieves. I notice that the Prime Minister has allocated \$5 million to the Philippines to tackle terrorism. All that is a regional framework that you have to be part of. I think that the Prime Minister is quite right in doing that. If we do not fight terrorism internationally as well as internally—that is internally in the sense of being prepared—then we could have dire consequences. We all know what that means in terms of Bali.

The unit is working very well. There is a lot more information that I could provide. My department is working very closely with the police. Bob Atkinson, our police commissioner, is very good. I think he is incredibly impressive; he is one of our best police commissioners. He has done a lot of advance work in preparation as well. But no-one can give any absolute guarantees when you are talking about terrorism. It is a very ugly world and we cannot give those guarantees. I have to say that when you see some of the things that terrorists have been prepared to do, then I think that we have to be vigilant and prepared.

Ms STONE: I note that on page 1-13 of the MPS the government executive services output has several international collaborations with the Smithsonian Institution.

Mr BEATTIE: Yes.

Ms STONE: I also note that your recent trade mission to Washington included meetings with the institute. Could you outline the current and future initiatives being undertaken under the Queensland government and Smithsonian Institution memorandum of understanding?

Mr BEATTIE: Yes, I can. I did meet with the Smithsonian when I was in Washington. That relationship is important for us. The objective of the MOU that we have signed with them is to enable an exchange between Queensland and the Smithsonian Institution of ideas, information, skills and techniques, to establish collaborative work on projects of mutual interest and to utilise specialist facilities. It is about this spirit of innovation that we are trying to develop.

Projects fostered under the MOU include the Queensland Smithsonian fellowships, which are fantastic. This program has been running for three years and offers three Queenslanders the opportunity to undertake research at the Smithsonian. On 27 May, I announced the 2003 Fellows, who are Professor John McGrath, from The Park Centre for Medical Health, Doctor Joseph Holtum from James Cook University in Townsville and Mr Troy Myers from the Richmond Marine Fossil Museum. The second part of the MOU is Eco-Online, which I launched in May this year with Anna Bligh, the Minister for Education, and Paul Lucas, the Minister for Innovation and Information Economy, which gives junior secondary school students access to online information about looking after the environment. There is also the third international canopy conference, which was co-hosted by my government and held in Cairns in June 2002 and a joint research project into the Caribbean and Indo-Pacific reef fishes, which aims to enable more sustainable management of coral reef fisheries, and the establishment in Queensland of four museum

magnet schools. This is a project that links the knowledge, expertise and resources of the Queensland Museum and the Smithsonian Institution more directly to students and teachers.

As I announced in May this year, Professor Glyn Davis, the Vice-Chancellor of Griffith University, has kindly agreed to be the Queensland co-patron of the alumni. We have established a new initiative under the Queensland government-Smithsonian relationship. It is the Queensland Smithsonian alumni. While we were in Washington last month, Professor Davis and I met with the Smithsonian co-patron of the alumni, Dr Cristian Samper. So all of that is going effectively and well. It is a very good marketing opportunity for Queensland as well.

I should say to you, if I could, that in the Australian Magnesium prospectus I highlight to you—and I table it for the information of the committee—page 70, titled 'Risk Factors'. The risk factors are set out there on pages 70, 71, 72, 73, 74, 75, 76, 77 and 78. Those are the risk factors that anybody would take into account before they invested in AMC. I table it for the information of the committee and I hope that it is read. It justifies, verifies, supports—whatever you want to say—the Queensland government's position on this.

Ms STONE: I refer to page 1-19 of the MPS and ask you to outline the key initiatives to be included in the five-year strategic agenda for women and girls. In particular, could you provide us with the rationale for and expected benefits from the Smart Women, Smart State awards program, which I am very interested in.

Mr BEATTIE: Thank you and I can do that, but before I do, can I just advise that the officer from DATSIP arranged the accommodation herself and was reimbursed. The accommodation was from 28 March 2002 to 8 June 2003.

My government is committed to working with Queensland women and girls to promote, encourage and celebrate their rights and choices. It is built on the belief that the voices of all Queenslanders should be heard and that when women's status is improved the whole community benefits. The Office of Women in my department—which I will not be abolishing—is developing a five-year agenda for women and girls. The agenda will outline how to meet future challenges while building on what has already been done for Queensland women. To progress the agenda, the Office of Women developed the discussion paper titled *Mapping the Future: a discussion paper for Queensland women and girls*. The paper clustered the issues affecting Queensland women and girls around four themes: wellbeing for women and girls, learning and earning, supporting women in family and caring roles, and building and leading strong communities. Respondents also reported that in addition to the issues raised in the discussion paper, they also wanted more recognition of the diverse and special needs of particular groups of women, including disabled women, rural women, indigenous women and culturally and linguistically diverse women. The agenda will be a whole-of-government policy framework for the next five years, which will ensure that it addresses a wide range of women's services across the Queensland government as well as critical partnerships with the community and the public sector. The final agenda, subject to cabinet approval, is expected to be launched in the second half of 2003—and I will give you a tip: you will be invited.

My government is also steering Queensland to become the leading state in the emerging science, engineering and technology industries of the 21st industry. These industries are key drivers of the information economy and the Smart State. This Smart State vision will never be a reality without the valuable contributions from Queensland women, who make up over 50 per cent of our state's population. The Office of Women in my department is organising an inaugural Smart Women, Smart State Awards to help combat the low representation of women and girls working and studying in science, engineering and information and communication technology fields. I am really proud that my daughter is, in fact, doing biotechnology. We need to get more of them.

The Office of Women and the Events Coordination Unit are collaborating on the development of the awards, with an interdepartmental working group providing expert advice. To promote awareness of the awards, a statewide campaign, which reached a potential 2,756,000, included Queensland wide newspaper announcements in national, state and rural newspapers and national scientific magazines. In addition, a poster run of 650 posters were put up across Brisbane cafes, libraries, women's organisations and universities.

Other promotional activities included establishing web links through the Office of Women web site, Education Queensland's centres of excellence web sites, Department of Employment and Training's GENERATE youth web site and e-newsletters of the interdepartmental working group—and the list goes on. The budget for the awards is \$92,000. The departments of

Employment and Training and Innovation and Information Economy and others are working on it. It is about ensuring that women are part of the Smart State.

The CHAIR: Thank you, Premier. That brings to close the time allocated for consideration of the estimates of expenditure for the portfolio of the Premier and Minister for Trade. I am glad the Premier's throat has lasted the distance. On behalf of the committee, I thank the Premier and, in particular, his directors-general and his commissioners and advisers for their attendance and assistance today in the examination of the estimates of expenditure for the portfolio of the Premier and Minister for Trade.

Mr BEATTIE: Thank you very much. Can I thank my staff as well as the committee.

The CHAIR: For the information of those attending today, the transcript of the hearing for the portfolio will be available on the parliamentary web site in approximately two hours. The committee will now adjourn for lunch and the hearing will resume at 2 p.m. to examine the proposed expenditures for the portfolio of the Deputy Premier, Treasurer and Minister for Sport.

Sitting suspended from 1.02 p.m. to 2.00 p.m.

TREASURY AND SPORT**IN ATTENDANCE**

Hon. T. M. Mackenroth, Deputy Premier, Treasurer and Minister for Sport

Treasury

Mr G. Bradley, Under Treasurer
Mr T. Spencer, Deputy Under Treasurer
Mr D. Keeler, Chief Financial Officer
Mr C. Turnbull, Executive Director, Corporate Services

Sport

Mr S. Flavell, Director-General
Mr C. Matheson, Executive Director, Corporate and Executive Services

The CHAIR: This hearing of Estimates Committee A is now resumed. I welcome the Deputy Premier and Treasurer, public officials and members of the public. The committee will now examine the estimates of expenditure for the portfolio of the Deputy Premier, Treasurer and Minister for Sport. This session will include the expenditure estimates of the Treasury Department. I advise that the time limit for a question is one minute and that answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of these time limits. An extension of time may be given with the consent of the questioner.

For the benefit of Hansard, I ask departmental officers to identify themselves if the Deputy Premier refers them a question to answer. I now declare the proposed expenditure for the portfolios of the Deputy Premier, Treasurer and Minister for Sport open for examination. The question before the committee is—

That the proposed expenditures be agreed to.

Deputy Premier, you may choose to make an opening statement if you wish. If you do, I would like you to limit that to three minutes, please.

Mr MACKENROTH: I am right.

The CHAIR: Thankyou. We will start with questions from non-government members.

Mr QUINN: Treasurer, I refer to the ASAP process and, in particular, the review of state taxes, fees, fines, levies and other charges. Is it the position that the government is going to maintain the CPI linkage to the increase in those state taxes, fees, fines and charges?

Mr MACKENROTH: That is the intention—that fees and charges should be increased by the rate of inflation so that we do not reach a stage where some fees do not get lifted for a number of years and then are the subject of large increases. We should keep our fees and charges in line with the inflation rate and increase them by that each year.

Mr QUINN: Is it the proposal to increase each fee or charge by the CPI, or are you going to continue with the current process whereby some increase in larger amounts than others?

Mr MACKENROTH: No, government departments are required to increase their fees by the inflation rate each year. If they have a reason for not increasing it, they put forward a submission not to increase it, and some departments do and that is accepted. If there is a reason that it should be greater than inflation—and that would be where it has been identified that a fee has not been increased for a number of years—it may be increased by more than the rate of inflation for the one year, but that would bring back its relativity. Or if a fee is providing a service to a limited area and that charge is not bringing sufficient funds to provide for the service that is being provided, the department would need to put forward a submission that either it remain the same or it should be in line with what the real cost is so that the user pays principle applies.

Mr QUINN: So your forward policy position will be basically the same as the current policy position?

Mr MACKENROTH: Yes, accepting that we have already been through them all. So there are no great surprises that will be there in the future, I would not have thought.

Mr QUINN: Are you worried about this constant increasing of state taxes, charges, fees and levies feeding into an inflationary process within the state?

Mr MACKENROTH: No. Federal taxation increases by a greater rate of inflation just by bracket creep. We are not doing that. This is increasing by the rate of inflation. So we look at what the inflation rate had been for the previous year and increase it by that amount. The government has to continue to maintain its services and we need an amount of money to do that.

Mr QUINN: Are you worried about the huge increase in the total tax take over the past three financial years? You and I have crossed swords about this in parliament.

Mr MACKENROTH: We did not cross swords.

Mr QUINN: There has been quite a substantial increase in the total tax take over the past three financial years. Are you worried about that in terms of its effect on the Queensland economy?

Mr MACKENROTH: There have been significant increases, I think, in stamp duty in the property market, and that has come about as a result of a rising property market. When you have a rising property market you do see increases in revenues in those areas. That helps to provide the services that Queensland wants.

Mr QUINN: In the past three weeks a significant amount of subordinate legislation has been introduced by the government. Within these pieces of legislation there have been nearly 850 increases in various taxes, fees, fines, levies and charges.

Mr MACKENROTH: I have been on holidays—

Mr QUINN: I would not be around, either, if you were introducing 850—

Mr MACKENROTH:—so you cannot blame me for that.

Mr QUINN: As the minister responsible for state revenue, how many increases in state taxes and charges occurred during the last financial year? Do you have any idea?

Mr MACKENROTH: We have answered a question on notice in relation to increases in the Treasury Department. You would need to ask individual ministers about fees and charges in relation to their own departments.

Mr QUINN: Do you have any more scheduled increases in taxes, fees and fines for this financial year, other than the ones you have already put through?

Mr MACKENROTH: There are no scheduled increases in tax at all. As I said in answer to an earlier question from you in relation to fees and charges and inflation, departments review them throughout the year, as they are required to. They would increase them by the rate of inflation on a yearly basis. That does not automatically happen on 1 July. Different departments would have different times, depending on when they do their reviews.

Mr QUINN: So we could still see somewhere throughout this financial year a government department introducing an increased tax or fee or fine?

Mr MACKENROTH: No, no increased taxes.

Mr QUINN: Fee, fine or levy?

Mr MACKENROTH: No. The only increases we would see would be where charges are increased by the rate of inflation to keep their relativity.

Mr QUINN: Or special events such as you have mentioned where it is needed to recover the cost of the service provided?

Mr MACKENROTH: If we made that decision.

Mr QUINN: That is what I am saying.

Mr MACKENROTH: We have already done those.

Mr QUINN: Can I turn to Lang Park?

Mr MACKENROTH: Suncorp Stadium.

Mr QUINN: Sorry, Suncorp Stadium. What was the amount of money repaid in 2002-03 on the \$235 million loan?

Mr MACKENROTH: I think that was answered in a question on notice. You asked me that; I answered that.

Mr QUINN: In answer to question on notice No. 6 you advised that the annual repayment required to service the \$235 million loan was \$22 million per annum in 2003-04. Yet in response to question on notice No. 2 you advised that the total collection for the major projects levy in that same period was \$18 million.

Mr MACKENROTH: Yes.

Mr QUINN: The question is: how is the \$4 million shortfall being funded? You are collecting \$18 million and you have a loan repayment—

Mr MACKENROTH: We have not spent all of the money yet, because the levy started before we drew down any loans and was being banked. That was always the intention. I think that question was asked of me by the member for Moggill at one stage and I have answered that. When we first started the major facilities levy, it was intended that the amount that we collect would increase yearly. In the first year that we collected it we did not have to spend any of it. So that money went into the bank and we ended up with a greater amount there and we were able to pull down on that.

The levy which is being charged now on hotels is one in relation to which I have a letter in writing from the Queensland Hotels Association. If the levy does not raise sufficient funds to meet the \$235 million loan, we will increase the levy at some stage. We have not reached the point at which we need to do that, and I would be hopeful that in the future we will not have to, but the association is aware. You may be aware that when we first announced this levy the rates were to be at a higher rate than they are. We negotiated a level of rates based on an assumption of what money would be raised to meet this level of debt. It is going to meet that level of debt.

Mr QUINN: So in summary, is it right to say that the amount of money collected so far has covered the interest payments?

Mr MACKENROTH: Yes.

Mr QUINN: It has covered the repayments?

Mr MACKENROTH: Yes. That is correct.

Mr QUINN: You are forecasting, to the best of your knowledge, that it will do in the future but you do have this agreement with major hotels.

Mr MACKENROTH: No, with the Queensland Hotels Association. When the actual rates—they vary from 3.5 per cent to 20 per cent—were agreed on between Treasury and the QHA, it provided me with a letter that acknowledged that if those rates did not reach sufficient levels to meet the repayments on these loans we would change the rates.

Mr QUINN: Moving on to land tax, over the past 12 months there has been a significant increase in the land tax take—something in the order of 13 per cent. Bar an increase in inflation, that is roughly four times the amount of inflation. Does the government have any plans either to reduce the rate of land tax or to raise the threshold?

Mr MACKENROTH: In the budget speech, and in legislation which has already been introduced into parliament, there are changes which will be made to the land tax rates. That has been made for this year. There will be fewer taxpayers paying land tax this year than there were last year and we are increasing the amount. Whilst values have increased, they are actually phased in over three years. If your value goes up by 20 per cent, that 20 per cent does not automatically come in in one year. It is phased in over three years. So, naturally, when we frame next year's budget we will look at what the impact is on people who pay land tax as a result of increases at that time—for people with principal. For resident taxpayers there is a 15 per cent land tax rebate.

Mr QUINN: Even taking into account the adjustments that have been made in this budget, it is still quite a significant increase in percentage terms over the previous 12 months. You are saying that state taxes and charges should move generally in line with CPI, but this is a huge increase, and it probably will be fuelled again by a rise in valuations over the next two or three years.

Mr MACKENROTH: The actual rate we charge has not changed and the rate that people are paying—and mainly this is going to large corporations—is a lot less than people interstate pay.

Mr QUINN: I move on to the ambulance tax. It is proposed to collect \$105 million with the ambulance tax. Is it true that about \$5 million will be distributed to Ergon and Energex to cover their administration for the collection of the tax?

Mr MACKENROTH: There will be an administration fee for the collection of the community ambulance cover levy. That cost is similar to what we would have paid local governments if local governments had collected the levy. In fact, my knowledge is that it is less than what it was costing us to collect the old subscription scheme.

Mr QUINN: Is the cost \$5.5 million?

Mr MACKENROTH: The total administration cost is around \$5.5 million, which includes Ergon, Energex and other energy providers which need to collect the levy and the costs of the Office of State Revenue for administering the scheme.

Mr QUINN: So, in reality, the Ambulance Service is receiving about \$99.5 million in funds from the ambulance levy?

Mr MACKENROTH: That would be correct, but how much money is then provided through consolidated revenue to run the whole Ambulance Service is another question. But \$99.5 million of that will come from the ambulance levy. Those costs are less than what it was costing us to administer a scheme which was not working. I think that needs to be kept in mind.

Mr QUINN: In relation to the previous scheme, the combination of the subscription revenue, the non-subscriber charges and the government's compensation payout all amounted to about \$96.5 million. In reality this new ambulance tax is actually delivering less than \$3 million in additional funds to the Ambulance Service. Is that true?

Mr MACKENROTH: I do not have those figures. You would have to ask the Minister for Emergency Services. It is his portfolio. That is his budget; it is not mine.

Mr QUINN: I appreciate that. The point I am making is that we have a new tax—

Mr MACKENROTH: A levy.

Mr QUINN: To use your words, we have a new levy hitting every Queenslanders. The real increase in the budget for the Ambulance Service is less than \$3 million if you take everything into consideration.

Mr MACKENROTH: I do not know that the figure is correct. You would need to raise that with the Minister for Emergency Services. I think the thing that needs to be kept in mind in relation to the Ambulance Service is that we now have a universal scheme whereby all users of the Ambulance Service will pay—not only the people who choose to be subscribers or the ones who paid their bills if they were not subscribers. A number of people did not pay their bills. It was costing us money to chase up bad debts and the bad debts were not paid. It was a very inefficient way of running the coverage for the Ambulance Service.

Mr QUINN: Is Treasury going to be responsible for actually collecting the money, or is it another minister's responsibility?

Mr MACKENROTH: The Office of State Revenue will be responsible for collecting the money from Ergon and Energex. The Treasury will then allocate money to the Queensland Ambulance Service through the budget.

Mr QUINN: The Caravan Parks Association is saying that there is one bill for individual caravan parks as the sites are submetered. Is it the intention of the government to issue an ambulance levy for every site within the caravan park?

Mr MACKENROTH: It would depend on the number of contracts between the caravan park owner and the seller of the electricity as to how many times it would be charged.

Mr QUINN: Have all of the issues about who pays the ambulance levy been finalised? Are there no more grey areas, or are we still working our way through some of these difficulties?

Mr MACKENROTH: If somebody were to raise issues with us, obviously we would look at them.

Mr QUINN: So you are still flexible?

Mr MACKENROTH: Obviously we would look at them, but the majority of areas in which decisions needed to be made have been addressed. If there were a small anomaly somewhere we would look at it. I think the majority of instances in relation to the implementation of that levy have been decided.

Mr QUINN: When it is finalised, will the total policy package about who pays the ambulance levy be decided on determinations by the Office of State Revenue? Who is making this final determination about who is paying it, in black and white?

Mr MACKENROTH: The parliament has passed the legislation. The exemptions that are there are provided for by regulation. That goes before the parliament, so the parliament finally decides that. The Office of State Revenue administers that part of the legislation through Treasury. Ergon, Energex and other retailers comply with that legislation and those regulations.

Mr QUINN: So we could still see regulations coming in to parliament?

Mr MACKENROTH: I doubt it, but one should never close one's mind. We are always prepared to listen to someone.

Mr QUINN: The ambulance levy is not an exact science, is it?

Mr MACKENROTH: I think that in anything you do you should be prepared to listen to any arguments that anyone has.

Mr QUINN: I move on now to the public sector superannuation scheme. The last actuarial investigation report recommended that the benefit payments continue to be met solely by the members' funds for the time being but that the funding position of QSuper be monitored at least annually and that employee contributions be recommended as necessary to meet full benefit payments. Has the recommendation of monitoring the funding of QSuper annually been adopted?

Mr MACKENROTH: Yes. Gerard is the chairman of QSuper. He can answer that.

Mr Bradley: The actuary's review identified the fact that, given that some three years ago there was additional funding provided in excess of \$1 billion for the employer component of beneficiary payments, once that amount had been exhausted employer contributions for benefit payments would need to be resumed. That process recommenced in 2002-03. That was provided for in the budget for that year and it will continue through in 2003-04. The issue the actuary identified was that that prefunding—around \$1 billion—occurred some three years ago and that over time there would be a need to recommence, once that amount had been exhausted. We have been monitoring that process and have recommenced employer contributions in terms of transfers across to the fund, once those moneys have been exhausted.

Mr QUINN: So there is still some employer contribution sitting in the fund?

Mr Bradley: The way it works is that the employer contribution is paid into the fund, which is held within the consolidated fund. Those moneys are then transferred across as beneficiary payments fall due. The employer fund forward-funded around \$1 billion in beneficiary payments, which have now been exhausted as people have retired or resigned. So we have now recommenced the transfers across so that the employer's contribution is paid into a fund and held centrally and then disbursed as people retire or resign.

The CHAIR: The time for non-government members questions has now expired.

Mr CHOI: Page 1-8 of the MPS states that close to \$30 million was spent in the gambling area. How was part of this funding directed towards more responsible gambling initiatives for Queensland?

Mr MACKENROTH: The Queensland Responsible Gambling Strategy identified a number of initiatives. On 29 May 2002 I launched the Queensland responsible gambling code of practice. It represents a whole-of-industry voluntary commitment by gambling providers in Queensland to minimise any potential harm to gamblers, their families, friends and local communities. The code of practice was developed through extensive consultation with key stakeholders within and outside the gambling industry as well as the broader community through a public consultation process.

The Queensland responsible gambling resource manual was developed for each industry sector as a practical resource providing a step-by-step guide to implementing the code of practice. Peak industry bodies have disseminated the resource manuals and are continuing to deliver information and training sessions on the code of practice.

The Queensland Office of Gaming develops technical requirements for the evaluation and approval of electronic gaming machines in Queensland. These technical requirements reflect a number of government policy objectives, including player harm minimisation and game integrity. If these requirements are not included in the national standard for gaming machines implemented by all Australian jurisdictions and New Zealand, they are added to a Queensland appendix to the national standard.

Matters concerning responsible gambling addressed in the Queensland technical requirements include: ensuring that messages on artwork do not falsely represent to players a chance of winning; prohibition of games where additional credits are required to be bet to access additional features; prohibition of games which require the winning of a number of subfeatures before the credits are actually won for the entire feature; and the prohibition of autoplay functions, which could lead a player to lose track of the total amount bet.

The Queensland responsible gambling training framework for industry aligns with the national competency standards and will support the implementation of the code of practice. The framework has been developed in consultation with key stakeholders, including the gambling industry and training providers, and has been approved by the Responsible Gambling Advisory

Committee. To date, three responsible gambling curriculum modules have been developed—two within the health and physical education, years 1 to 10, syllabus and the third in the studies of society and environment primary school curriculum. These modules are an important component not only in the prevention of harmful impacts of gambling but also in raising community awareness of the social benefits and costs of gambling. Emphasis is on the development of critical knowledge, skills and attitudes in order to make informed decisions about gambling now and in the future.

Mr CHOI: Page 1-29 of the MPS refers to research that has been gathered regarding responsible gambling. What will be done with that research?

Mr MACKENROTH: In April 2002 project nominations were sought for the Responsible Gambling Research Grants program for the 2002-03 grants program. Some \$500,000 was allocated for distribution to applicants. Nineteen project nominations were received, of which six were selected for funding.

The following outlines the successful organisations, their research topic area, the amount received from the grants program and the total research value to the government, which includes resources contributed by the organisation. The Australian Institute of Gambling Research's research topic was youth gambling. The grant received was \$51,871. The total research value was \$51,871. The Central Queensland University dealt with treatment programs. The grant received was \$122,308. The total research value was \$226,602. The Griffith University dealt with gambling industry governance. The grant received was \$110,782 and the total research value was \$110,782. The University of Queensland dealt with cognitive behavioural therapy. The grant received was \$65,100, which was also the total research value. The Southern Cross University dealt with responsible gambling strategies. The grant received was \$98,282. The total research value was \$105,282. The Queensland University of Technology conducted a cost-benefit analysis. The grant received was \$51,399 and that was the total research value. The projects, of one year's duration, are due to provide final reports by early November.

The results of the research will be used to inform QOGR's policy development and contribute to the formation of future research paths. The research will also contribute to building the knowledge base of Queensland's broader gambling environment, including the gambling industry and community sectors, enabling them to increase their capacity to respond to issues that may arise.

An internal review of the Responsible Gambling Research Grants pilot program process was completed in January 2003. The review found that the development of priorities, evaluation criteria and processes of the pilot program were appropriate. However, a number of recommendations were made in relation to the process that has been adopted into the 2003-04 grants round. The research priorities for the 2003-04 grants round have also been realigned after consultation with the Responsible Gambling Advising Committee, the Queensland Gaming Commission, the 2002-03 grants program recipients and the QOGR staff.

Ms STONE: Treasurer, can you advise how much money has been distributed in 2002-03 by the Gambling Community Benefit Fund and how many groups have benefited from this?

Mr MACKENROTH: In 2002-03 the Gambling Community Benefit Fund provided grants to the value of \$32,842,926 to 2,510 not-for-profit community organisations across Queensland. The grants have been made to organisations providing a variety of services within communities throughout Queensland.

Some 542 education and training organisations received grants totalling \$9,119,485. Within this category, 394 parents and citizens and parents and friends associations received \$7,165,889; 309 organisations providing community development services received grants totalling \$3,706,664; 681 organisations providing sport and recreation activities received grants totalling \$7,501,554; 51 organisations providing access and mobility services for people with a disability received grants totalling \$663,183; 111 organisations providing cultural activities received grants totalling \$1,254,653; 160 organisations providing child care activities received grants totalling \$2,139,909; and 79 neighbourhood centres received grants totalling \$1,052,070.

The Gambling Community Benefit Fund provides one-off grants to eligible non-profit organisations to deliver services and activities in their local communities. Funds are distributed to 38 geographical regions and a separate statewide category. The proportion of funds available for each region is based on consideration of a range of factors such as population, socioeconomic factors, remoteness, population growth and infrastructure levels. Application for amounts up to \$30,000 are encouraged. However, applications for larger amounts are considered. Funding has

been provided for a variety of projects such as Queensland Working Women's Service Incorporated which received a grant of \$49,363 to undertake a workplace bullying project for 12 months, the Kentville State School Parents and Citizens Association was allocated \$26,340 to construct a multipurpose court and the Hear and Say Centre for Deaf Children received a grant of \$7,000 to purchase resources for a new centre in Dalby.

Ms STONE: Treasurer, can you indicate how the \$2.46 million project to relocate five Treasury offices as outlined in the MPS at page 1-41 will benefit Queenslanders?

Mr MACKENROTH: In terms of the relocation of five Treasury offices, we will relocate them to 33 Charlotte Street, which is a new building. The relocation will bring some portfolio offices—the Office of State Revenue, the Office of Gaming Regulation, the Motor Accident Insurance Commission, the Office of Economic and Statistical Research and the Corporate Services Division—together. The building was originally due for completion in October 2003, but due to delays in the building process it is more likely to be completed in January 2004. Relocations will occur between January and June 2004. The new building will have 14 floors of office space and provision for parking, storage rooms and a shopfront for the Office of State Revenue.

The Government Office Accommodation Committee adopted the Brisbane CBD Accommodation Strategy 2002 to 2004 on 5 February 2002. A key aim of this strategy is to achieve the relocation of government agencies from private sector owned office accommodation to public sector which will reduce leakage of recurrent expenditure to non-government landlords and provide savings to governments. The co-location of Treasury into 33 Charlotte Street will see government vacate private sector leased office space at 200 Mary Street, 61 Mary Street and 288 Edward Street. The physical location of some of Treasury's organisational units into 33 Charlotte Street will also emphasise economies of scale and business coordination opportunities that a co-located workplace can deliver. It will also afford opportunities to promote Treasury's values of communication, knowledge sharing, teamwork and innovation.

Mr STRONG: Treasurer, can you please explain how the Queensland government manages risk related to the Commonwealth Grants Commission recommendations on the GST as outlined in the MPS at page 1-40?

Mr MACKENROTH: The role of the Commonwealth Grants Commission is to advise the Commonwealth government on the distribution of the goods and services tax revenue amongst the states. Under its terms of reference, the Commonwealth Grants Commission is required to base its recommendations on the principle of horizontal fiscal equalisation. The principle of horizontal fiscal equalisation means state governments receive funding from the Commonwealth such that, if each made the same effort to raise revenue from their own sources and operated at the same level of efficiency, each would have the capacity to provide services at the same standard. In practice, this principle relies on a detailed and relatively complex methodology designed to measure relative state revenue capacities and expenditure needs.

The Commonwealth Grants Commission reviews its methods every five years. In interim years the Commonwealth Grants Commission updates the financial, economic and demographic data that underpins its recommendations. The outcome of the Commonwealth Grants Commission's 2004 review of state revenue sharing relativities will apply from 2004-05 to 2008-09. The Commonwealth Grants Commission's review involves an extensive consultation process with the states and other interested parties. The terms of reference were agreed by Commonwealth and state treasuries. Queensland has been a consistent supporter of the principle of horizontal fiscal equalisation and has actively participated in all aspects of the Commonwealth Grants Commission 2004 review.

During 2001-02 the Commonwealth Grants Commission visited Queensland for workplace discussions and Queensland lodged its main submission with the commission. During 2002-03 Queensland's continuing contribution to the process has included attendance at the heads of treasuries conference convened by the commission, rejoinder submission and bilateral discussions between the commission and senior officers from a number of Queensland government departments. Queensland will continue to participate in the 2004 review, with further conferences in September 2003 and a final submissions schedule for completion in October 2003. Queensland's research program is aimed at finding improvements to the commission's assessments to reflect Queensland's relative capacities and needs. If accepted, these improvements will be incorporated in the 2004 review.

While the commission conducts its own research program in consultation with the states, the Queensland research program ensures that its interests are protected and promoted. More specifically, Treasury analyses data, critically examines relevant methodologies and presents its

findings through submissions, attendances at conferences, workshops and formal meetings with the commission. By ensuring that all relevant information is taken into account, including arguments put forward by other states, Treasury ensures that Queensland interests are promoted.

Mr STRONG: Treasurer, what is the personal injury register and what are the costs and benefits referred to in the MPS at page 2-3?

Mr MACKENROTH: Key functions of the Motor Accident Insurance Commission include keeping the statutory insurance scheme generally under review, monitoring the management of claims by insurers and providing funds for research and education in the field of rehabilitation and accident prevention. The personal injury register is an important source of information to assist the Motor Accident Insurance Commission to fulfil these duties. The personal industry register is a computerised database used by the commission for the collection, collation and reporting of personal injury information relating to motor vehicle accidents occurring on or after 1 September 1994. The register also contains data on some long-tail claims for accidents prior to 1 September 1994. The database is used by the commission to monitor the progress of the CTP scheme, determine appropriate premium bands following actuarial analysis of the data, provide data for statistical analysis, reporting and benchmarking, assess appropriate funding initiatives for research into accident prevention and minimising the effects of road accidents, and assist in the deduction of fraudulent claims.

Data quality is critical for the purpose of determining premium bands, vehicle class relativities and in planning future changes to the CTP scheme to maintain scheme affordability. The operation of the scheme is continually scrutinised through management reports produced from the data collected on the register database. The data maintained on the personal injuries register must be kept up to date and reported accurately by each insurer using definitions which are standard across the industry. To achieve this, a number of data quality mechanisms have been incorporated into the database, such as standard data definitions, defined triggers for submitting claims to the commission, data edit rules and set procedures for transmission of data to ensure that all insurers submit the data in the same format. The commission has a dedicated data audit unit that conducts regular checks of data held on the personal injuries register.

Redevelopment of the existing system was necessary due to the current maintenance and support contract with external suppliers coming to an end, the age of the current system, the technology of the current system, ongoing support requirements and functionality limitations. There was a strong desire by the commission to have a more flexible system with increased reporting functionality to enable the commission to consolidate and streamline processes, reduce long-term costs for support and maintenance for the system and reduce business risks.

The CHAIR: The time for questions from government members has expired.

Mr QUINN: Earlier the Under Treasurer stated that \$1 billion had been set aside as employer contributions and funds transferred across as required to the superannuation funds. Am I right? Is that the general principle of it?

Mr MACKENROTH: I will let the Under Treasurer answer the question.

Mr Bradley: It is around, I think, the order of \$10 billion held in the consolidated fund. Some years ago we transferred \$1 billion of that across to forward fund beneficiary payments. So we have now resumed in 2002-03 employer transfers across to the fund which actually makes the payments to people as they retire or resign. As I mentioned, that process recommenced in 2002-03 and will continue now in the future. Given that past contribution, the amount has been exhausted.

Mr QUINN: What was the total amount of money that was transferred from the consolidated fund into the super funds, bearing in mind last year's super returns were not all that flash?

Mr MACKENROTH: In this last financial year?

Mr QUINN: Yes, last financial year.

Mr Bradley: Last financial year following the exhaustion of that previous \$1 billion there was around \$285 million paid across in 2002-03. That will continue into 2003-04. I think they will pay over about \$50 million a month. This is the payment from beneficiary payments. It is not related to investment returns as such. We are referring here to the defined benefit scheme.

Mr QUINN: That is right. Correct me if I am wrong, but there are two streams to the super funds. There are the defined benefit and market linked accumulation funds.

Mr Bradley: That is correct.

Mr QUINN: And this transfer of funds has to do with the defined benefit scheme?

Mr Bradley: That is correct. The way it works is that the employee contributions are held separately in a separate fund external to the budget and the employer moneys are held within the consolidated fund. So as a person retires the benefit is funded both from the employee funds and the employer funds. The only difference that occurred in recent times is that we forward funded, as I mentioned, the employer contributions. They are based on multiples of salary in the case of the defined benefit fund, not related to investment returns as such. The balance held within the consolidated fund of course is influenced by the level of investment returns.

Mr QUINN: So it was \$285 million last year and about \$50 million ongoing?

Mr Bradley: Per month, yes, of that order.

Mr QUINN: In the defined benefit fund itself within QSuper, is there a reserve there?

Mr Bradley: The employer moneys, which is the reserve, are held within the consolidated fund which is of the order of \$10 billion I think. So they are the reserves which are held. Sorry, \$10.8 billion is the correct figure and there is \$9.8 billion held under trustees management, which is the employee moneys.

Mr QUINN: So that is their reserve in other words.

Mr Bradley: That is right. So in total there is in excess of \$20 billion in reserves for the fund in both employees and employers.

Mr QUINN: And that would be sufficient to pay every public servant within the defined benefit scheme if they all retired tomorrow?

Mr Bradley: That is correct. The scheme is assessed as being fully funded.

Mr QUINN: In response to question on notice No. 7 you stated that the government is expecting to receive capital returns of \$15 million in both 2003 and 2004. Yet a piece of subordinate legislation has gone through the House that made provision for cancelling about 276,000 shares in the Gladstone Port Authority. Is there a reason why they do not match?

Mr Bradley: The \$15 million refers to the Ports Corporation of Queensland. The small amount you mentioned relates to the Gladstone Port Authority. That is a transaction which relates to some adjustments in relation to tug facilities. But I would need to get the details—

Mr QUINN: It is still a cancellation of shares, though, and a return of capital?

Mr Bradley: I would need to check the detail of that.

Mr MACKENROTH: We will take the question on notice and provide you with the details.

Mr QUINN: Special dividends have been the subject of some debate. What are the amounts of special dividends in the budget this financial year?

Mr MACKENROTH: The special dividends for 2003-04 have already been indicated in the parliament—\$30 million for Energex Limited and \$20 million for Ergon Energy Corporation.

Mr QUINN: They are the only two? There are no extras?

Mr MACKENROTH: There are no others.

Mr QUINN: Can we turn to the statement of expenditure estimates and expenditure risk in Budget Paper No. 2. It states that in 2003-04 the budget and forward estimates include a provision for wage increases consistent with an outcome of approximately 3.5 per cent per annum or, where an agreement has been reached, the expected cost of implementing that agreed outcome. You have budgeted for wage increases of 3.5 per cent. The question is: why have the police received funding for only three per cent of their salary increases?

Mr MACKENROTH: That is not correct. Under their enterprise bargaining agreements government departments have been funded for three per cent of their enterprise bargaining agreements. Of 3.5 per cent they have been funded for three per cent. In relation to police, further money is provided for a restructure of their bands. In relation to the extra half a per cent for Police, Education and Health, it is then up to those departments to come back to the budget review committee to put forward a submission for any further funding that they require to meet those costs.

Mr QUINN: Am I right in saying that you have just confirmed that police are being funded for a wage increase of three per cent?

Mr MACKENROTH: It is a three-year agreement. In the two outyears they have been fully funded for 3.5 per cent and also for the changes in their structure. In relation to the first year, we have required the police to come back to us with a submission for any further funding that they

require above what we had budgeted for, which was three per cent. If I recall rightly, that is the information that the Minister for Police has already provided to the parliament in a question that he was asked.

Mr QUINN: Have the police come back to you?

Mr MACKENROTH: Not at this stage they have not, no. It will be up to the minister to come back to us, and he is a member of the budget review committee. They will have to go through their budget. If they cannot fund that, they will come back to us with a submission. That is what was requested of them. When they come back to us, we will consider any submission from them.

Mr QUINN: The police have got three per cent, but you have budgeted for 3.5 per cent per annum right across all departments. Teachers have not yet got their EB nailed down?

Mr MACKENROTH: Teachers have not settled their enterprise bargaining agreement. But we have budgeted increases into their forward estimates.

Mr QUINN: Has their budget been formulated on the same basis as, say, police, where you get three per cent this year and 3.5 per cent in the outyears?

Mr MACKENROTH: It is generally like that. But we would have to check that. We have not yet got an agreement with them.

Mr QUINN: So this is a whole-of-government position; all departments are being funded for three per cent this year and 3.5 per cent in the outyears?

Mr MACKENROTH: Generally, the other government agencies are required to find a half a per cent this year. This is like any performance dividend that is put on departments. It is not unusual.

Mr QUINN: Why have you budgeted for approximately 3.5 per cent across-the-board in the budget?

Mr Bradley: The government has allowed for the 3.5 per cent wage outcome for all agencies. Each agency is required to make provision for that within their budgets.

Mr MACKENROTH: There will be an increases in wages of 3.5 per cent.

Mr QUINN: Can I move on to the government's introduction and implementation of a model of shared services directorates? What are the overall anticipated cost savings by directorate from this initiative in 2003-04 and are there any figures for the outyears?

Mr MACKENROTH: I will get you a brief on that and then I will read it to you and waste some of your time. There are not anticipated to be a great deal of savings this year, but it is anticipated that the net financial benefits will begin accruing to the Shared Service Initiative by 2005-06. Once fully implemented, the initiative is expected to provide an additional \$100 million every year for services delivered to the community. Of this \$100 million per annum, the major components of the financial benefits will be derived from consolidation of the information and communication technology infrastructure, consolidation of ICT applications, software and support, work force and associated oncost savings, and procurement savings.

The benefits of the Shared Service Initiative is that it promotes sharing of better practices in corporate services; it is a whole-of-government approach providing consistency in corporate services delivery across all agencies and improved whole-of-government reporting; it achieves economies of both scale and skill; it provides opportunities for work force mobility; it ensures the costs of services are transparent; it is efficient because it reduces duplication of the same type of service being provided in every agency; and it achieves maximum leverage of the government's investments in information technology through consolidation of similar IT systems.

It enables each agency to focus on direct service delivery. These benefits have been realised in other jurisdictions in the public and private sector within Australia and overseas. In developing costs and savings projections for the initiative a comprehensive data collection process was undertaken on two separate occasions across government during 2002. This involved agencies analysing the level of effort involved in undertaking corporate services activities and the volume of transactions processed.

Mr QUINN: Which departments are expected to produce the most savings?

Mr MACKENROTH: The savings will come across all departments and it will be relative to the size of the department. We have had shared service providers so that departments will share the service provider that provides those corporate services. The cost savings will be derived from right across government. No individual agency is providing a greater amount than others. It will be across the lot. So it would depend on the size of the agency as to what savings would be derived.

Mr QUINN: A large agency such as Education has an employment work force of 50,000 or 60,000. Is it sharing with someone else?

Mr MACKENROTH: No, they are not. Education and Health are not sharing. They are providing the corporate service for their own agency only.

Mr QUINN: Since they are self-contained already, do you have an estimate for the cost savings for each of those departments?

Mr MACKENROTH: We would need to see what happens when we introduce the similar systems that will go across government, as I mentioned in the answer to the previous question. That will come from there.

Mr QUINN: Your \$100 million in savings is really a target; it is not necessarily based on modelling work done within the agencies?

Mr MACKENROTH: No, the modelling has been done across government with the agencies. We employed outside consultants to provide us with the expertise to help us with that.

Mr QUINN: If the modelling has been done and you know you are going to get \$100 million, surely you can identify which agencies are going to provide what type of money?

Mr MACKENROTH: The savings will be made right across government.

Mr QUINN: Would it be true to say that the larger the agency the more money they would be expected to save?

Mr MACKENROTH: Relatively, yes.

Mr QUINN: I will return to the previous topic, the budget allocation of 3.5 per cent per annum in terms of wage increases and your allocation of only three per cent to the various agencies. What does a saving of 0.5 per cent across the total wage bill of the public service calculate out at?

Mr MACKENROTH: We will take that question on notice and find you a figure.

Mr QUINN: Can I turn to the Community Investment Fund and a general question to start with. Is this a balanced fund? Do you spend exactly what you derive from the poker machine levy?

Mr MACKENROTH: Within one year do we spend exactly that amount of money?

Mr QUINN: Yes. Is it balanced in that way or do you run a deficit?

Mr MACKENROTH: It is accumulated. Because it is unknown what revenue is going to be in it, some money would accumulate in it and would be spent in the next year.

Mr QUINN: You could not run a slight deficit one year and take in additional funds in the next year?

Mr MACKENROTH: We do not run into deficit. We run at a surplus and use that money into the next year; is that your question?

Mr QUINN: Yes. What I am trying to say is: in not every year would you expend exactly what you receive into the fund—there would be a carryover.

Mr MACKENROTH: No, because the fund is based on a percentage of turnover, it changes. We would not know in June what money we were going to get. We would not know until after the end of the financial year.

Mr QUINN: In a question on notice I asked in the House this year, it was noted that \$3 million of the fund was allocated to the Department of Families for a systems upgrade. Is it normal practice to allocate funds out of this fund for departmental purposes?

Mr MACKENROTH: It was for a high community needs project. This is a new fund and it was considered that it was appropriate that that money be used for that.

Mr QUINN: Who actually made the submission? The department itself made the submission to the fund for \$3 million for a systems upgrade?

Mr MACKENROTH: No, the decision was made by Treasury to allocate the money from that fund.

Mr QUINN: So money from that fund need not necessarily be allocated for community benefits?

Mr MACKENROTH: That was for a community benefit.

Mr QUINN: Within the Department of Families?

Mr MACKENROTH: Yes, but it was for a high need community benefit in that department. That is what it achieved.

Mr QUINN: In relation to the question about the Smart State initiative, the Premier in the US recently indicated that legislation was going to be brought into the House to allow for royalties to be collected from the Smart State technology where products or drugs are developed in Queensland out of Queensland plants and animals or things of that nature.

Mr MACKENROTH: We have not factored anything of that nature in our forward estimates.

Mr QUINN: That is what I am asking.

Mr MACKENROTH: That is the answer.

Mr QUINN: Thank you. That is my answer.

Mr MACKENROTH: That was your question, was it not?

Mr QUINN: That was the question, thanks.

The CHAIR: It is time for government members' questions.

Mr CHOI: In regard to page 2-3 of the MPS, what issues have been affecting the long-term care for seriously injured claimants and what is the government doing about it?

Mr MACKENROTH: Current insurance issues, particularly with respect to medical indemnity, have focused attention on the method of compensating the seriously injured for their long-term care. The long-term care head of damage accounts for approximately 25 per cent of total claims costs associated with medical indemnity litigation. In motor accident compensation schemes catastrophic accidents generally account for around five per cent of the total number of claims and about 50 per cent of the total claims cost with future care being a large component of this.

There is a strong push, especially from the medical profession, for a national no-fault long-term care scheme for those with catastrophic injuries such as brain and spinal injury. In response, the Australian Health Ministers Advisory Council has been looking at the development of such a scheme. The proposal is for the payment of long-term care as a head of damage to be removed from the common law and to be replaced with access to a range of appropriate services. The concept is seen to have both social and economic advantages, providing better outcomes for those catastrophically injured and a reduction in the financial volatility of compensation schemes.

Following several ministerial meetings on liability insurance issues and at the request of the heads of Treasury, the insurance issues working group established a long-term care task force in January 2003 comprising officials from the Treasury and Health portfolios in the states and the Commonwealth. The task force brief is to undertake a comprehensive review of current long-term care arrangements and possible alternatives for the future. Stage 1 of the review involves data collection and analysis regarding the current incidents, costs and funding sources of long-term care. Stage 1 is currently under way with the task force engaging the Institute of Actuaries of Australia to assist. Stage 2 will involve modelling alternative long-term care delivery mechanisms and testing the impact of those models on services and cost distributions.

If the long-term care scheme were to be established, issues to be resolved before a model could be developed include who would be eligible to access such care, should it be a comprehensive scheme or only limited to compensation schemes, what services should it cover, who should fund such a scheme, should it be fault based or no fault. Other policy considerations include cross-subsidisation and cost shifting from the Commonwealth to the states, implications for government policy in relation to non-eligible clients, increasing demand for the expansion of disability services, particularly in rural and regional areas, and the long-term affordability of the scheme.

Mr CHOI: Could the Treasurer please provide more details about the data hub mentioned on page 1-18 and indicate how it will benefit information sharing across government?

Mr MACKENROTH: The data hub is a web based, within-government information tool. It aims to achieve a more cost-effective and collaborative approach to sharing information by giving government employees easy access to key data required for business activities. Data hub is a robust and sustainable statistical information management system assisting in decision making, reducing duplication and maximising resources. Currently, data hub has two data directories, nine data related products and a networking and training calendar. Other data sets include the register, the Australian Coastal Atlas, the Government Asset Management System, Monash employment forecasts and the Australian Spatial Data Directory.

Data hub was launched in July 2002 and is the most accessed site on GovNet. To the end of June 2003 it was accessed 37,505 times. The whole-of-government licence was negotiated with

the ABS for 2002-03, which has enabled the Queensland government to access approximately \$900,000 worth of data in the 2002-03 financial year, reflecting an increased usage of data valued at \$750,000 more than the cost of the licence fee. Data hub has been advertised extensively through *Sector Wide*, some agency newsletters, information sessions and the payroll system.

Ms STONE: In regard to the Queensland household surveys mentioned in the MPS on page 1-18, can you please advise of its objectives and the outcomes expected from these surveys?

Mr MACKENROTH: The fifth Queensland household survey was conducted in November 2002 and topics included fire prevention methods in the household, awareness of fire ants, awareness of OFT messages about scams and fraudulent activities, knowledge of contacting organisations within the community, environmental issues, usage of the Queensland Ambulance Service and participation in volunteer work. About 3,000 interviews were completed, 300 in each of the 10 Queensland regions. Results were provided in March 2003.

The sixth Queensland household survey was conducted in May-June 2003 and topics included electrical safety, awareness of the Queensland Ombudsman, awareness of responsible gaming messages, computer and internet usage, the use of the Internet to contact the state government, awareness of the Office of Fair Trading messages about scams and fraudulent activities, opinions about Queensland government schools and drug usage. About 3,300 interviews were completed, 600 in the Brisbane region and 300 in each of the remaining nine Queensland regions. Results will be provided in early August 2003.

Sample surveys are a cost-efficient and timely way for government agencies to obtain reliable information for gaining a better understanding of the needs of the community, including regional communities, effective policy formulation and program evaluation, and measuring performance against government priorities. OESR undertakes one-off surveys to provide timely information on topical issues as well as surveys repeated at regular intervals. In particular, the regular Queensland household survey provides government agencies with a cost-efficient means of obtaining relevant information at the state and regional level by sharing overheads across a number of agencies and topics. The Queensland household survey is conducted at least every six months to allow agencies to track changes over time where appropriate or to participate any time when they have data needs.

Ms STONE: Can you indicate the benefits to the Queensland economy for the state having a AAA credit rating?

Mr MACKENROTH: Moody's Investment Services, Standard and Poor's and Fitch IBCA Ltd visit Queensland regularly—generally every 12 months—to carry out reviews of the state's underlying financial and economic position. Reviews are a major part of the process of determining the state's credit rating. Rating reports were released by Standard and Poor's in 2002, Fitch Ratings in January 2003 and Moody's in April 2003. All of the reports confirm the state's AAA long-term local currency credit rating. The AAA credit rating puts Queensland on equal footing with other AAA rated issuers. The AAA credit rating allows Queensland to borrow at cheaper rates to the benefit of the clients of the Queensland Treasury Corporation and, through them, the people of Queensland.

Standard and Poor's noted that the Queensland government's financial strength is in its balance sheet with financial assets exceeding financial liabilities—the only state where this is the case. Fitch Ratings based its rating on Queensland's sound economic fabric and net debt positions with liquid investments exceeding indebtedness. Moody's noted Queensland's sound financial operations, modest debt levels and dynamic economic base as its credit strengths.

Mr STRONG: Could you please indicate what are the benefits of the implementation of the Internet based employer data collection system as outlined on page 1-32?

Mr MACKENROTH: On 1 July 2002 the Government Superannuation Office implemented an e-business system for the electronic validation and receipting of employer superannuation contribution information. The system allows employers to submit, validate and correct their contribution information via a secure connection to the Internet. Once the contribution information has been fully validated, the contribution receipt may be automated through electronic banking.

The new system enhances employer services as the employer is able to rectify any data issues at source, resulting in an overall improvement in data processing, accuracy and timeliness. The employers are in control of their own data and business processes and can choose the hours in which to conduct the superannuation business. The employer is able to generate reports relevant to their superannuation business, change contact details online and access instant

messaging. No intermediary is needed to send the electronic file and payment, and the electronic banking of the contribution receipt is automated.

The initial investment in these systems is being offset by reduced operational costs for the processing of superannuation contributions, information from employers and the processing of requests, claims, investment switches and address changes for members. The GSA now receives more than 95 per cent of employer contribution information via the employer data collection system. The benefits of this system are already being obtained through lower costs for the processing of employer contribution information and the increased accuracy of information.

Mr STRONG: What initiatives has the government put in place to help address the issues associated with public liability insurance?

Mr MACKENROTH: The government established the public liability insurance task force to examine both short-term and long-term solutions to assist Queenslanders affected by public liability insurance issues. Treasury officers took a lead role in managing the strategic direction and work of the task force, ensuring input from a whole-of-government level as well as coordinating extensive consultation for the external stakeholders, including the Australian Plaintiff Lawyers Association, the Insurance Council of Australia, the Queensland Council of Social Services, the Local Government Association of Queensland, the Australian Medical Association, the Queensland Law Society and Commerce Queensland.

The task force report, released in February 2002, focused on an integrated range of strategies in the areas of group purchasing arrangements for liability insurance, law reform and risk management. Treasury officers are also represented on the national heads of Treasury insurance issues working group. Through this group further work is being undertaken on suggested reforms proposed by the ministerial meetings on insurance issues held over the last 18 months. Treasury made a major contribution to the establishment of the group insurance scheme for eligible community organisations, which commenced on 1 September 2002.

To achieve this outcome, Treasury conducted extensive consultation with the insurance industry, insurance brokers, community groups and government. Treasury's internal insurance expertise from the Queensland Government Insurance Fund was utilised in the development of the scheme structure and management of the tender process, which resulted in AON Risk Services being appointed as the scheme's intermediary. The QDIF continues to oversee the operation of the scheme.

Treasury officers established and maintained a public liability insurance help line and web site to provide up-to-date advice and assistance to the community and to collect information from affected organisations and the community. In addition, Treasury officers have supported the Department of the Premier and Cabinet in community presentations in relation to the liability issues at centres throughout Queensland. In relation to the group insurance scheme, Treasury coordinated the receipt of approximately 6,000 expressions of interest from organisations wishing to participate in the group liability insurance scheme. Of those groups, approximately 4,500 submitted further insurance related information.

When developing the scheme, the government's particular focus was on groups that could not secure cover anywhere in the market. A request for offer seeking an insurance intermediary resulted in the appointment of AON Risk Services. In the early stages of the scheme's development, the intermediary was required to approach insurance underwriters to arrange the bulk purchase of insurance for the entire group in a similar fashion to that of an insurance broker. However, after extensive consultation with the insurance industry, Suncorp was the only insurer prepared to assist these groups by providing underwriting support.

With Suncorp's backing, the scheme has been able to provide insurance cover for many organisations which would have otherwise had to close. From 1 January 2003, in response to changes to the insurance market and the introduction of tort reforms, the scheme was altered with AON taking on an advisory role for not-for-profit organisations by providing general insurance advice and referring them to a range of underwriters. Suncorp continues to support the scheme by considering coverage for any organisations unable to place cover in the market through a special hard-to-place facility.

The CHAIR: That concludes the questions from the government members. It is time for Mr Quinn.

Mr QUINN: Can I just go back to the Suncorp Stadium funding again. In your answer to question on notice No. 2—you provided that in 2002-03—\$12 million was collected. Were there any funds collected prior to that?

Mr MACKENROTH: Yes, \$6 million in the first year and \$12 million in the second.

Mr QUINN: Six and 12.

Mr MACKENROTH: Yes.

Mr QUINN: And then 18 forecast for this financial year.

Mr MACKENROTH: Yes, properly budgeted for.

Mr QUINN: So given that you have paid \$13 million off in 2002-03 and you have to pay \$22 million in 2003-04, you are over budget by my calculation—\$1 million over.

Mr MACKENROTH: I was right.

Mr QUINN: You just scraped in.

Mr MACKENROTH: Just say it—'Minister, you were right'.

Mr QUINN: You were right.

Mr MACKENROTH: Thanks.

Mr QUINN: You just got there. One other point of clarification is that you were talking—

Mr MACKENROTH: And the total of that loan has not been down drawn yet either, because we still have \$12 million which we have set aside and have not drawn down. So the figures that you have been given on the full payments—

Mr QUINN: Are conservative.

Mr MACKENROTH:— are half of the full loan, and at that stage we have not drawn down the \$12 million for the walkway which comes to the city and nor have we paid all the bills yet, because the stadium is still under the builder.

Mr QUINN: In the stadium itself, are there any lease arrangements with regard to the fittings?

Mr MACKENROTH: I actually answered a fairly detailed question on that on notice in the parliament. All of those details—

Mr QUINN: They are all on record?

Mr MACKENROTH: Yes.

Mr QUINN: Right.

Mr MACKENROTH: That was asked of me, I think, by the member for Beaudesert. There was a fairly extensive answer given in relation to that.

Mr QUINN: Back to the wage increase issue—

Mr MACKENROTH: It might have been the member for Moggill.

Mr QUINN: I will find it.

Mr MACKENROTH: About three months ago.

Mr QUINN: Back to the wage increase issue of 3.5 per cent per annum. You have indicated that this year the departments will have to find the 0.5 per cent for themselves. Are you saying that in the outyears the departments will be fully funded for the full 3.5 per cent in each of the years?

Mr MACKENROTH: In the general departments, we have budgeted for three per cent for those departments and for them to find 0.5 per cent. In the areas of Police, Education and Health, they have been fully funded.

Mr QUINN: In each of the outyears?

Mr MACKENROTH: In each of the outyears, yes.

Mr QUINN: The last question that I have concerns the Treasurer's Advance Account. I take it that there is still such an entity within Treasury, is there?

Mr MACKENROTH: The Treasurer's Advance?

Mr QUINN: Yes. What is the current balance of the Treasurer's Advance Account?

Mr MACKENROTH: The provision for the Treasurer's Advance in the 2003-04 budget is \$86.02 million. That would be the money that is held in there. That would then be used if we needed to fund—

Mr QUINN: That is in 2002-03 or in 2003-04?

Mr MACKENROTH: The provision for the Treasurer's Advance in the 2003-04 budget is \$86.02 million.

Mr QUINN: Thank you.

The CHAIR: Are there any other questions from the non-government members to the Treasurer? No, there are not. The good news is that we are one hour and five minutes ahead of schedule. So you have some choices. You can either listen to government—

Mr MACKENROTH: Choices? Is this like being on *Who Wants to be a Millionaire* or something?

The CHAIR: You can have government members ask you questions for one hour and five minutes.

Mr MACKENROTH: No, I would be happy just to give the answer to the question that I was not asked about—the \$350 million deficit. I am pleased to advise the estimates committee that the end of the year result appears—and at this stage we will not know it until the beginning of October—but the preliminary result will be that the operating deficit will be in the order of \$150 million and not \$350 million.

The CHAIR: That is fantastic.

Mr MACKENROTH: You did not ask me that question.

The CHAIR: What a shame. Congratulations to you.

Mr QUINN: The Queensland Investment Corporation got you out again.

The CHAIR: Given that we are not programmed to have Sport and Recreation start until 4.30 and some of your officers may not be here yet—

Mr MACKENROTH: No, they are not here.

The CHAIR: Would you like to have a break until 4.30 or what would you like to do?

Mr MACKENROTH: We can do it at 4.

The CHAIR: Thank you. That concludes the consideration of the estimates of expenditure for the Treasury Department. I thank the Deputy Premier and Treasurer and his departmental officers for assisting the committee with the examination of the Treasury component of his portfolio. The committee will resume at 4 p.m.

Sitting suspended from 3.23 p.m. to 4.00 p.m.

The CHAIR: I welcome back the Treasurer, Deputy Premier and Minister for Sport. I would also like to welcome to the committee the member for Beaudesert, Mr Lingard. Estimates Committee A will now commence the examination of the proposed expenditure of Sport and Recreation Queensland. For the benefit of Hansard, I ask departmental officers joining us in this session to identify themselves if the Deputy Premier and Minister for Sport refers them a question to answer. The question before the committee is—

That the proposed expenditure for the portfolio of the Deputy Premier, Treasurer and Minister for Sport be agreed to. Non-government members of the committee will commence the questioning. I call the member for Robina.

Mr QUINN: Minister, the Major Sports Facilities Authority obviously is allocated a specific number of tickets for each event held at venues that it controls on behalf of the government. On how many occasions have you attended those events on tickets originally allocated to the major sports facilities?

Mr MACKENROTH: The Major Sports Facilities Authority is outside the public accounts and not relevant to this committee, and I have answered that question on notice in the parliament on two occasions.

Mr LINGARD: Minister, the three tenants at the Brisbane Cricket Ground have to pay leases which are designed to pay off the total debt of the grounds. At Suncorp Stadium \$235 million is being paid off by the poker machine levy, and clearly the Broncos' lease is not designed to pay off that total debt. Why have cricket and Aussie Rules not received similar support from the government?

Mr MACKENROTH: I do not understand your question. The rents charged of cricket, the Lions, the Broncos, the Queensland Rugby League, or the Australian Rugby League when the State of Origin is on, the Australian Rugby Union when the World Cup is on and for its test matches and of any other tenants that go to Suncorp Stadium are all commercial rents.

Mr LINGARD: The government has obviously given the Broncos or Rugby League a fantastic advantage as compared with the others.

Mr MACKENROTH: No advantage at all. Commercial rents are very similar.

Mr LINGARD: The new Suncorp Stadium gives great recognition to the modern era of administrators and players. Why do you not arrange for suitable recognition for the old pioneers like the Scott family, Jack McMahan and people of that generation?

Mr MACKENROTH: There is an amount of memorabilia which has been collected over the years. How and when that will be displayed within the stadium has not been decided, but it can be decided in the future. The decision was taken when building the stadium that we would put a State of Origin walk there so that we could recognise the Queensland players who have played State of Origin. The Wally Lewis statue is also displayed there. That is to enable people who may want to come to the stadium when games are not being played to walk around the stadium and to see the names of the players who are recognised there. But there will be opportunities for recognition of other people who have played there in the past in other ways. It has not been decided yet how that will be done.

Mr LINGARD: Are you prepared to implement that sort of program yourself?

Mr MACKENROTH: You might remember the late George Hay, who was the secretary of the former Lang Park Trust. George, before he passed away, was collating a lot of that information and putting a lot of material together in relation to the history of the former Lang Park, and that information is now all there.

Mr LINGARD: During the year there was concern about people who had bought life memberships in the time of Ron McAuliffe. I understand that Ogden has given them seats but it is on a wink and a nod basis and it is nothing official. So this can change as the management changes. Why do you not resolve this matter?

Mr MACKENROTH: My understanding is that the matter is resolved. It is not on a wink and a nod basis. Those people have guaranteed seats. If they believed it was on a wink and a nod, you would be hearing from them and we have not heard from them. Ogden, as the operator of the stadium, met with them and worked out how they could be accommodated within the new stadium. They were given different options and at a meeting that was all resolved. It is not on a wink and a nod.

Mr LINGARD: Do you understand that there is nothing on paper?

Mr MACKENROTH: No, there is something on paper. What it is is life memberships which they have bought which give them the rights to have a seat there.

Mr LINGARD: But it depends on the management as to where that management puts them, and quite obviously if it is not Ogden anyone else could put them anywhere.

Mr MACKENROTH: That has been resolved with them. My understanding is that it has been resolved, and since that meeting I have not received any representation from any life member.

Mr LINGARD: I know that if I ask anything about Suncorp Stadium you will say that it is the responsibility of Ogden IFC, but if the grass surface has to be replaced and if massive amounts of money have to be spent on facilities for people with disabilities—and that could be anything up to \$20 million—does the government have the capacity to increase the \$235 million loan?

Mr MACKENROTH: There will be no need to spend any money on disability access or facilities. The stadium has been built in accordance with all of the laws. There is adequate access for people with disabilities or people in wheelchairs in regards to the stadium. There are no problems there. No money will need to be spent on changing anything in relation to disability access. For the information of the member for Robina, I am answering these questions because the Stadium Redevelopment Authority, which built the stadium, is in the public accounts. Just so you understand that.

To turn to the issue of the grass, from the time we started to build the stadium we were aware that we may have to replace grass, and we have grown grass to do that. As 20 games or maybe even 21 games will be held between June and the end of November, it was always a requirement that we have an extra field in case grass was required to be replaced, particularly with the World Cup and the quarter finals that will be held there. So the grass is grown and is there now.

Mr LINGARD: Questions were raised in parliament about the fact that grass would only be laid for five weeks. Did you ever relay those concerns to anyone from parliament?

Mr MACKENROTH: Sorry?

Mr LINGARD: There were concerns expressed about the five-week period of laying the grass before the first game. Did you ever relay those concerns to anyone?

Mr MACKENROTH: I raised with the Department of Public Works, and through the department to the contractors, whether the grass being laid at the time that it was would be okay, and the advice that I was given was that it would be. The problem that we experienced, I believe, was that too much sand was placed on top of the surface, which I think aesthetically looks bad. It has not created an unsafe playing surface, nor has it created a bad playing surface. Simply, aesthetically there was too much sand there. A lot of that sand was removed.

It was interesting that at the end of the game on Friday night both the stand-in captains, Andrew Gee for the Brisbane Broncos and Scott for the Canterbury Bulldogs, in their press conferences said that the playing surface was fine and that it was very firm. Both of them at separate press conferences said that the playing surface was better than Telstra Stadium. Journalists all have their own views on it, of course, but none of them have played on it yet.

Mr LINGARD: The media carried stories that the grass was under tight security before being laid. Did the government contribute in any way to that security?

Mr MACKENROTH: No. I do not know that there was any security in the sense of physical security. The security that they talked about was the fact that the company that was growing the grass had asked us not to advise anybody as to where it was being grown. They wanted the security of no-one knowing where the grass was being grown so that they would not have people going there to play a game of football at night and tearing up the grass or driving their cars around. I think 'tight security' as it was mentioned was in relation to people not telling anybody where it was being grown. That was at the request of the person growing the grass. Could you imagine any politician turning up for the opportunity to have their picture taken on it? It was not us.

Mr LINGARD: I notice some people do have photos taken on the grass. I refer to the video screens that are in place at Suncorp, and I ask: were these screens purchased for the Lang Park facility or were they originally purchased through some other structure? Has the full cost of this equipment been paid for from the Suncorp redevelopment budget?

Mr MACKENROTH: No, the replay screens both at the Gabba and Suncorp Stadium were purchased in one contract and were provided to both the Gabba and Suncorp Stadium and were paid for by the Department of Sport and Recreation, and those screens are available for us to use if we want to take them away from there to any other place.

Mr LINGARD: So they were never part of the \$280 million?

Mr MACKENROTH: No, they were not.

Mr LINGARD: What is the set percentage of poker machine returns that are allocated for Sport and Recreation funding?

Mr MACKENROTH: Twenty-three per cent. That is, the gaming machine revenue allocated to sport—

Mr LINGARD: Are there any other contributions from consolidated revenue paid to Sport and Recreation?

Mr MACKENROTH: Yes, there are. There are funds for some operational costs and also for depreciation.

Mr MACKENROTH: Out of consolidated revenue?

Mr MACKENROTH: Yes. Those amounts are identified in the accounts as to what comes from the gaming machine fund and what comes from consolidated revenue.

Mr LINGARD: Why is it that groups such as four-wheel drive clubs cannot access money when groups like trail bike riders have access to funds?

Mr MACKENROTH: It would depend on the definition of 'sport' under the schemes that are available. I guess it is one of the areas where we constantly have problems with groups who believe they should fit within the schemes when others fit and they do not, but it is a definition that is there. It depends on how they would fit within the scheme that is available for them.

Mr LINGARD: Quite obviously you are giving more money to sport in Queensland than you are giving to recreation.

Mr MACKENROTH: Yes, that is correct. There would be more money going to physical sport than there would be to recreation, but money does go to recreation. They are funded mainly through the Local Government Development Program.

Mr LINGARD: What are you doing to ensure that grants are not spent almost entirely on administration of sports and recreation activities?

Mr MACKENROTH: The grants that we give are for specific purposes. If the grant is for the building of a netball court or a tennis court or an oval or a running track, that is specifically for that. No money from a grant is to go to administration. The only funds that we give in administration would come out of the state fund which is there for state bodies to access money, and some of that goes to the running of those organisations. No money from our grants goes towards the administration of the organisation. So, if your local Rugby League club were to apply for a grant, the money that it received would not help to pay for the administration of that club. It would not be allowed, and they all have to account for the money that they are given.

Mr LINGARD: I am talking about when the grants are spent by those bodies in administration. How do you monitor that?

Mr MACKENROTH: I am sorry, you mean for the state body?

Mr LINGARD: Well, the money that has been given to Sport and Recreation. How do you monitor whether they are spending it on administration within that club?

Mr MACKENROTH: No money is allocated to any club for administration. For instance, if the Beaudesert Rugby League Club were to make an application to upgrade its lighting, it may apply for a grant and it may be that it costs \$50,000 to do that. We may give the club a grant of \$30,000. We would need to see that it would cost the club \$50,000 to do that lighting job and we would provide it with a grant of \$30,000 which goes towards the overall cost of that \$50,000. None of that goes to administration. That goes directly to the cost of paying for that.

The CHAIR: The time for non-government members' questions has expired.

Ms STONE: Minister, what economic benefits will the Lexmark Indy 300 motor race on the Gold Coast generate for Queensland in 2003?

Mr MACKENROTH: The continuation of the Lexmark Indy 300 racing event brings significant economic benefits and exposure for the Gold Coast. Over the past 12 years Indy has injected approximately \$50 million into the Queensland economy each year and has achieved significant international media exposure. The event benefits all Queenslanders by promoting Queensland as a state that fosters sporting excellence and builds Queensland's reputation for hosting international events.

The Gold Coast Motor Events Company, which runs the event, commissioned an economic impact study of the Indy event in 1999. The study indicated that the Indy event generated economic returns of in excess of \$43 million. Since 1999 record crowd attendances, along with record corporate sales, have been achieved. Based on the methodology of the 1999 economic impact study, the returns for Queensland from the 2003 race are estimated by the Gold Coast Motor Events Company to be in excess of \$50 million. A detailed economic impact study similar to the study undertaken in 1999 is planned for the 2003 event.

In 2002 organisers had targeted for a capacity of in excess of 300,000 and were on target to achieve this goal. With wet weather on race day the numbers reached 297,835. With fine weather this year it is likely that attendances will exceed 300,000.

Ms STONE: Fingers crossed for fine weather this year, Minister.

Mr MACKENROTH: The World Cup Rugby is on then, too, so all of those people here for the World Cup will be able to go and watch the Indy.

Ms STONE: I cannot wait! I refer to page 3-3 of the MPS. How successful has the program of targeting community groups with low participation rates in sporting activity been?

Mr MACKENROTH: Sport and Recreation Queensland delivers a range of programs and services which provide opportunities for and promote participation in physical activity. In the last three years an additional emphasis has been placed on groups with low participation rates, in particular Aboriginal and Torres Strait Islander people, women and people over 55. The objectives of many of Sport and Recreation Queensland's funding programs are targeted at enhancing participation rates for specific groups in the community. For example, programs such as the Local Government Development Program and the Indigenous Community Development Program are focused at the community level in terms of the provision of facilities, programs and opportunities for local participation in sport and active recreation. The Local Government Development Program contributes funding towards local recreation facilities such as walkways and cycleways—facilities that meet the identified participation preferences for many women and people over 55.

The Indigenous Community Development Program, supported by an indigenous adviser network across Sport and Recreation Queensland regions, provides funding for participation,

planning, education and training initiatives in indigenous communities. This program also supports the employment of recreation officers in specific indigenous communities.

Through its funding to state sporting organisations, Sport and Recreation Queensland is also able to leverage improved participation by target groups. In 2002 funding was provided to six sports over three years to deliver sustainable participation and development programs in Cape York indigenous communities. Sport and Recreation Queensland also supports a number of other discrete programs targeted at specific community groups including Just Walk It, which has in excess of 3,000 regular participants, 75 per cent of whom are women, and more than 50 per cent of whom are over 50. It has contributed \$34,800 to the Queensland Cricket Association's indigenous cricket strategic plan and is conducting locker room forums focused at issues confronting women's and girls' participation in sport.

Mr STRONG: Can the minister please indicate what benefits the Get Active Queensland program for children, as mentioned on page 3-1 of the MPS, will offer to children and young people?

Mr MACKENROTH: The Get Active children and young people strategy is targeted at those groups within the community which are best placed to influence children's participation in physical activity, for example families, child care providers, schools and clubs. It will raise awareness of the need for good quality physical activity; provide practical and easy to use resources; facilitate training and skill development and offer ongoing support; increase the number of children and young people participating in sport and physical activity and understanding the benefits of participation; support the industry to provide facilities, programs and opportunities to enhance the participation of children and young people; and create an environment which actively promotes junior sport and recreation, supports its development and potentially provides the basis for attracting international and national youth sport and recreation events.

Implementation of the strategy will achieve a much broader range of participation opportunities for children and young people with integrated delivery of physical activity programs and support mechanisms for parents and teachers. Skilled adults delivering physical activity opportunities to children and young people encourage a safer environment in which to participate.

I will give an example of projects under the strategy for each independent intervention group. For early childhood carers and professionals there is the Get Active Early Childhood Project—an information brochure to directly inform parents, teachers, carers and others in the area of early childhood about the benefits of and need for physical activity for young children. The brochure would include information about opportunities to increase skills and knowledge in the area. For schools there is the Get Active Queensland Daily Physical Activity Program, which is the production of a generic resource to raise the activity levels of students on a daily basis, including a series of sequential lesson plan sheets for 15 to 30 minutes of fun activities. For families there is Get Active Baby, Get Active Toddler and Get Active Preschooler. These are booklets that are developed with basic activities and advice about the best types of activities for babies, toddlers and preschool age children.

For the community there is the Get Active Queensland Fair Play Project, which is an intervention strategy, including a guide for grown-ups about children's sports, a framework for clubs wanting to introduce fair play and good codes of behaviour and supporting flyers entitled 'How well do you play spectator?' For industry there are Get Active youth forums, which are a series of youth sport and recreation forums to be held across Queensland to encourage children and youth to speak about the topic of physical activity and healthy lifestyles and to provide an opportunity for young people to discuss their thoughts, opinions and solutions on the topic of youth inactivity.

Mr STRONG: Minister, how many coaches have completed coaching or officiating programs supported by the department?

Mr MACKENROTH: Sport and Recreation Queensland is implementing a range of initiatives that provide the industry with recognition, leadership, coordination, direction and quality control in the areas of coaching, officiating, volunteerism, administration and participation. This includes 308 participants who achieved accreditation at the two teacher/coach accreditation programs successfully delivered at Kawana State High School on the Sunshine Coast and Harristown State High School on the Darling Downs. A further eight courses will be conducted between July and September 2003, by which time over 1,200 people will have completed this program. Over 2,000 people attended 23 locker rooms held in 2002-03 from the Torres Strait to the Redlands. Some 1,931 coaches and officials were nominated in 2002-03 under the Thanks Coach, Thanks Ref program.

Two quarterly state level forums have been held for paid and volunteer coaches and officials who manage the strategic and operational coach and officiating activities of state sporting organisations. Thirty-two organisations attended the March forum at which information pertaining to the establishment of coach winter programs was delivered, and 26 state sporting organisations attended the June forum, which covered the retention and recruitment of sports officials. Seventeen applications under the Rural Regional Coach Mentor Program were approved for 2003, with financial assistance totalling \$150,295. State sporting organisations submitted applications nominating coach mentors and mentees, who are now involved in intensive training and education undertaken on the job at regional or state headquarters of state sporting organisations or at the Queensland Academy of Sport.

Thirty-nine representatives from the Volunteer Management Program licensed providers attended a workshop held over two evenings under the Volunteer Management Program/Club Association Management Program, and approximately 570 delegates in total have attended the six Building Active Communities regional conferences held in 2002-03 in Bundaberg, on the Gold Coast, in Toowoomba, in Townsville, in Cairns and in Rockhampton. Of the 570 delegates, approximately 108 had registered as coaches.

Mr CHOI: Minister, can you explain how the government is building strong sporting expertise and performance across regional Queensland?

Mr MACKENROTH: The Queensland Academy of Sport will continue to implement a program where all elite athletes, irrespective of location, can receive the same level of support with coaching, weight training, sports science, sports medicine and career and education services. The academy's regionalisation program was launched in January 2002. The program involves the adoption of a whole-of-state approach to elite athlete development and includes the incorporation of additional sports, such as tennis and athletics. The program also includes the introduction of a regional achievers program whereby athletes in any academy sport can be supported without having to relocate to Brisbane. The primary aim of the program is to move athletes into the mainstream academy squads, irrespective of location.

By June 2003 the academy will have assisted 290 athletes in regional Queensland to achieve their sporting goals. Regional athletes are supported through a partnership between state sporting bodies and the academy. The regionalisation program allows athletes throughout Queensland to be identified by top-class coaches to compete at a higher level than would have previously been possible, to receive world-class support services in sports science and sports medicine fields, and to benefit from the expertise of academy staff throughout the state.

The benefits of the regionalisation program are already apparent, with Zoe Tonks from Cairns being selected to the Australian national swimming team for the world championships. Other outstanding achievements include the selection of two academy regional tennis players into the Australian team to play in the world junior tennis titles. Seven members of the regional athletic squads were Australian age champions in 2002 for their particular events. In 2003-04 the regionalisation program will continue to expand in the area of sports science and sports medicine.

The CHAIR: That concludes the questions from the government members. I believe the member for Beaudesert has one final question.

Mr LINGARD: Minister, what was the total cost of those video TV screens at Suncorp Stadium?

Mr MACKENROTH: The total cost for the ones at Suncorp Stadium was \$4 million. The total cost for the whole contract was \$7 million. Those video screens are available for us to take from there and use in other places. They are part of the major sports facilities stock which are able to be used in other places.

Mr LINGARD: Were both of those screens from the Gabba, or was only one screen from the Gabba?

Mr MACKENROTH: No, they were not from the Gabba. We put new screens in at the Gabba. We went out to tender for new screens for the Major Sports Facilities Authority for both the Gabba and Suncorp Stadium at the same time.

Mr LINGARD: So you placed two at the Gabba?

Mr MACKENROTH: Yes. There was never a screen at the Gabba. There was a scoreboard with lights. That had actually started to rust out and was in fairly poor shape. That has been replaced with a replay screen. It is a replay screen on the other side. There was a replay screen which was brought in for events on a hired basis, but there never were any permanent screens

there for permanent use. We can use those, for instance for Indy if we want to. We can take them from there and relocate them. They are relocatable.

The CHAIR: That concludes the examination of the estimates for the portfolio of the Deputy Premier, Treasurer and Minister for Sport. I thank the Deputy Premier, the director-general and the executive director for their attendance. I also thank the portfolio officers. I particularly want to thank you for your cooperation in the change of program that we had this afternoon. For the information of those attending today, the hearing transcript for this portfolio will be available on the parliament's web site in approximately two hours. Thankyou very much.

Mr MACKENROTH: Thankyou.

Sitting suspended from 4.30 p.m. to 4.36 p.m.

STATE DEVELOPMENT**IN ATTENDANCE**

Hon. T. A. Barton, Minister for State Development
Mr M. Spencer, Senior Policy Adviser
Mr P. Fennelly, Director-General
Mr D. Cook, Deputy Director-General, Development and Infrastructure
Mr B. McCarthy, Deputy Director-General, Business and Trade
Mr P. Chard, Director, Finance

The CHAIR: Good afternoon, Minister, and thank you very much for your cooperation in attending the estimates earlier than expected. The committee certainly appreciates your cooperation. The Estimates Committee A hearing is now resumed. The last item for consideration is the estimates of expenditure for the portfolio of the Minister for State Development. I welcome the minister and his director-general and public officials who are in attendance today. I advise that the time limit for questions is one minute and answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of these time limits. An extension of time may be given with the consent of the questioner. For the benefit of Hansard, I ask departmental officers to identify themselves if the minister refers a question to them to answer. I now declare the proposed expenditures for the portfolio of the Minister for State Development to be open for examination. The question before the committee is—

That the proposed expenditures be agreed to.

Minister, would you like to make an introductory statement or go straight to questions?

Mr BARTON: No, I would like to make a statement, Madam Chair, and I thank you for that opportunity. The 2002-03 year has been one of challenge. However, the Department of State Development continues its role of being dedicated to assisting business and industry, both large and small, and driving the economic growth of our dynamic state. The department's aims have not changed since the Beattie government created it in 1998—that is, to make a positive difference to economic growth. We continue to build on existing solid foundations and to strive to secure economic growth well above the national average. The main task is to drive economic development of this state and we are doing this through a range of initiatives, including delivering internationally competitive industry sectors, aggressively marketing Queensland as an investment destination, strategically planning for infrastructure and involving the private sector through the delivery of public-private partnerships, and developing a smart small business sector which seeks out new business opportunities and looks for better and more productive ways of doing business.

Our network of 19 State Development centres throughout the state will continue their role of assisting business. As I have previously stated, what we are striving to achieve is expanding the state's existing business base beyond mining, agriculture and tourism. Boiling it down to basics, this approach is to go beyond digging the dirt, growing the produce and waiting for overseas tourists to land on our shores. What the government is about is growing diversity and economic wealth and the establishment of complementary industries and attracting new ones to employ not only this generation of Queenslanders but those to come.

Yes, at its basic element this is about creating jobs. Over the last year the Department of State Development's specific programs and grant schemes generated and/or retained more than 24,770 jobs. I note that these figures do not include jobs generated through the more general activities of the department. The majority of the department's activities, including job creation, took place in regional Queensland. Breaking it down, there were 25 per cent of jobs flowing from investment attraction, 95 per cent of the 1,340 jobs were created by the Food and Meat Task Force, 49 per cent of business and market development clients are located in regional Queensland, and 91 per cent of jobs generated by major projects are in regions. This excludes the AMC jobs; they have been withdrawn from that figure.

Two areas I wish to mention in which our hard work is paying dividends are aviation and manufacturing. On the aviation front, this government and the Department of State Development have had considerable success. From the time that Virgin Blue decided to establish in Queensland, a number of companies have either expanded operations or have decided to establish operations in this state. Boeing, Qantas, EADS, Australian Airlines and maintenance groups Hawker Pacific, National Jet Systems and Smiths Aerospace have significant operations in

this state. Madam Chair, although I hear the chime, I understood from the standing orders that I had five minutes.

The CHAIR: It is three minutes, Minister, but please continue.

Mr BARTON: Well, it is five minutes in the standing orders, Madam Chair. I would like to complete this statement, Madam Chair. The standing orders are clear. Essentially, the government has overseen the growth of a new industry. To give the former Borbidge government its due, although it attracted Boeing it has been the Beattie government that has been able to ensure not only that Boeing has grown its work force but other majors have been drawn to Queensland. This industry now boasts thousands of jobs and the government is working with industry through the Aviation Australia Training Centre supported by the government to ensure the industry can call upon the skilled work force it needs to further expand.

In terms of manufacturing, this year my department launched a comprehensive plan, Making Queensland's Future, across the state. The plan tackles head on the issue which will allow our manufacturing sector to reach its full potential. It outlines practical initiatives to drive future manufacturing growth in Queensland and consolidates manufacturing's position as a key contributor to Queensland's economy. My department is making available \$26 million over four years to make this vision a reality with support from new initiatives and a refocus and enhancement of existing programs. Making Queensland's Future will address the following key themes. It will focus on skills and training. We are working with the Department of Employment and Training to facilitate greater collaboration between industry and the training system to implement a more flexible approach to addressing skill shortages in priority manufacturing industry subsectors. To attract and retain a skilled work force the strategy proposes a number of initiatives. For example, it will establish proactive projects where schools provide a feeder of talented new entrants into the industry, sustaining the consistency and quality of training provided and ensuring it responds to the industry's needs.

In terms of building exports and collaboration, to help Queensland firms become more export focused, a manufacturers export and collaboration pipeline has been developed to deliver targeted awareness raising, training and support, market assistance and ongoing after-care services. A variety of programs will provide access to experienced export managers for export-ready firms in addition to supply chain development initiatives to improve competitiveness. In terms of attracting investment to Queensland, Making Queensland's Future is committed to increasing the deal-flow by lifting the numbers of Queensland manufacturing firms that are investment ready for both traditional finance and venture capital. The Queensland manufacturers capital raising pipeline will offer integrated commercialisation and capital raising services and proactively target strategic manufacturing investments where Queensland has a competitive advantage or gap in existing capabilities.

Finally, I would like to mention that today I announced that MBF will locate its new national customer contact centre in Brisbane. Brisbane was chosen ahead of other states, including New South Wales where another centre is currently located. It means 61 new jobs being created in the next five months and reinforces the government's promotion of Queensland as the best place in the Asia-Pacific region to do business.

The CHAIR: Thank you, Minister. That is certainly good news about MBF.

Mr BARTON: It certainly is.

The CHAIR: The first period of questions is allocated to non-government members.

Mr HORAN: Minister, I am opening the batting and batting both ends through the innings I think.

Mr BARTON: Looks like you are doing the bowling and the batting.

Mr HORAN: I think the last 12 months from a public point of view has seen Queensland littered with a litany of failed projects—projects that have not got up. In particular, headquarters have been lost and various other projects have been lost. But I do not think that any has been as spectacular as the losses that have been suffered by those hundreds of mum and dad investors in AMC. As you are aware, we all supported that through the parliament. We did not in any way criticise or object in case it damaged the process at any stage. But now it has got to the stage where these people stand to lose a lot of money from their investment. They were mostly lured by those distribution entitlement schemes which made them think it was safe. It was very sad this morning when the Premier said it is buyer beware and they should have read the warnings. My question is to you is this: with your department having a commitment in the order of \$150 million and a total government commitment in the order of \$192 million and a government owned

corporations commitment of \$156 million to this project, did you insist that a representative of the government be on the board to oversee and manage this massive investment?

Mr BARTON: In terms of the direct question, no. In terms of the very detailed negotiations that took place, I am not sure whether your question relates to when the project was initially floated or whether it relates to the recent rescue package that we engaged in, but I will talk about the original float.

I listened very carefully to the Premier's answers this morning and I do agree with them; we did very thorough due diligence before the second float. Yes, as a government, we, along with the federal government, took the available steps that we believed were necessary to gain a successful float on the Australian Stock Exchange and believed that we had covered the public's money adequately with the arrangements that had been put in place to provide appropriate securities for the government's funds. Similarly, the distribution entitlement schemes that were put in place were very clearly there because this was a project that was not expected to have any earnings for the first three years. This is a project being built by a completely new company, not by one of the majors. We believed there was a need to provide a source of income for investors who were prepared to put their money into that float. We supported that distribution entitlements scheme. In a similar way, the federal government provided its loan guarantee. This was a joint effort between both the federal government and the state government. We also need to stress that the Stock Exchange is not government guaranteed bonds such as we have seen in some government floats. When the shadow minister and I were growing up it was not unusual for there to be encouragement for people to buy government bonds that were guaranteed. But this was one where the risks were very clearly stated in the prospectus. I understand that the Premier tabled the prospectus, or certainly that section of the prospectus, this morning. After all, this was a public company listed on the stock exchange. It is not appropriate for the government to have a member on that board. Similarly, with the new strategy that is being developed the government is involved in the sense that we have funding in an escrow account now, along with the government. In fact, for that money to be expended there needs to be agreement of both the Commonwealth government and the state government. So we are involved in that. We did consider that it was not appropriate to put a government member on the board. After all, this is a publicly listed company. But the government will have the status of a bank. We will be monitoring the direction of the company very closely in terms of the second phase of AMC. Further, it needs the joint approval, as I understand it, of both the Commonwealth and the state for any of those funds to be expended.

Mr HORAN: There are two issues here. One is those mum and dad investors who were lured by the perception that this was safe because of the 3.2c that was going to be paid per share every six months for three years. To many people that seemed to give the imprimatur of government support. The Premier publicly supported, promoted, marketed and advertised this scheme. I think it is very wrong of him to say there are four pages of warnings. He publicly marketed this with the perception behind him that these were special shares with a special dividend—that you would get the dividend.

The CHAIR: Does the member have a question?

Mr HORAN: Yes, I do. The other aspect of the question is that with such a massive investment by the government both through the minister's department, through stamp duty concessions, railway infrastructure and the government owned corporation putting of the order of \$156 million in, I think it would have been essential to have had a representative on the board. My question is: is it not a neglect of duty to put in this much money, to promote it so heavily to investors and not have a representative on the board to ensure that the problems that did arise did not arise?

Mr BARTON: I think you are incorrect in some of the assertions that you have made in the preamble to your question. I will come back to the question, because the question is essentially the same question as the first one: should we have put somebody on the board? We were not shareholders as such in the first raising that AMC went forward with. It was not possible or appropriate to have government on the board. You also asserted that the Premier publicly promoted the shares to people. I forget your exact words. I might have been getting an incorrect perception of what you indicated was the perception. I can assure you that at the time when the AMC capital raising was taking place we were exceptionally careful as a government, certainly through the Department of State Development. As the Premier indicated to this hearing this morning when he was before it, he was consulting with my department, with Treasury and his own department, as were the three ministers. The Premier, the Deputy Premier and I consulted very

extensively before decisions were made. We were very careful with the rhetoric used to ensure that we did not create the perception that this was a government guaranteed investment. We do not own shares and we still do not own shares in this company. But there is an AGM in November and shareholders can put forward nominations for the board at that point in time. I stress that we believe we have adequately covered, ensuring that the company handles those funds appropriately as part of the guarantees that we have under the latest documents of arrangement for the current AMC operations. The funding that is held in that escrow account cannot be drawn on unless there is government approval, and that is government approval from both the Commonwealth and the state.

In terms of putting people on boards, I was a director of the Queensland Investment Corporation for some three years before I was elected to this parliament. That was at a time when the previous government had arranged, before the Goss government came into place, for major investments, before the QIC was in its current form, in Qintex and Kern Corporation. Sadly, I was one of the directors who had to write about \$117 million off the books in one day. As QIC we put our managing director on the board of both of those companies and withdrew him after some months because he was incapable of influencing those boards because he was one-out. It is sometimes a fallacy to believe that with one director you can influence what a board is doing.

Mr HORAN: My point is that with such a massive investment—I have tallied it up; it was \$348 million from government and government owned corporations—I would have thought that demanded representation on the board. My next question to you is: what system did you have for endeavouring to know what was happening to protect this investment and when were you first alerted about the cost blow-out with regards to the construction by the construction company?

Mr BARTON: I do have those dates. We were certainly aware that the government had its commitment to overseeing this project, but again I stress—and you are making the point—that we did not have people on the board. If you understand the way public companies operate, you would know they are controlled by their board of directors and by their senior management. I agree with the Premier's views that he expressed this morning that there were some quite considerable failures during that period of time by that board and by that senior management. That is why we insisted that a number of those people go at the time that we entered into the new arrangements in the last couple of months.

You have asked me for the exact date and I would like to be very specific. In terms of the timing of the project, as a major stakeholder in the project, the Queensland government was provided with regular high-level reports outlining progress of the project. These reports made reference to difficulties in finalising the total cost of the project and indicated that discussions were proceeding with Leightons. At that stage, Leightons was doing it on a cost-plus basis. There was not only a desire but a requirement that AMC enter into a fixed price contract for the construction of the project. Certainly, that was a requirement of the funding syndicate that was providing the major capital loans to AMC.

AMC also provided briefings to the state that it had become clear that they were having difficulty getting that fixed price contract, but that was a management issue that they needed to work through. AMC also provided briefings to the state that it was exploring a range of options in relation to securing additional equity support to help resolve the cost issue. But it was not until 17 April—and I will be specific with the date—2003 announcement that the government obtained a clear understanding of the magnitude of the funding difficulties being faced, that AMC was unlikely to reach agreement with Leightons, and that additional equity contributions were now essential for the continuation of the project. You will recall that at the time AMC had gone back to see the new parent company in the United Nations, Newmont Mining had taken over the old Normandy Gold and inherited the project in that way. AMC was hoping that its parent company would provide the additional capital. It became clear that it would not. They came back and then hired Flour to do a complete assessment because there was still some hope that Leightons' assessments of the prices it was quoting were overinflated and it could be done for lesser amounts. But it was made very clear to us on 17 April that in fact they had much greater problems than had been flagged to anybody, including the Stock Exchange, I might add. That is currently subject to an ASIC review within the Australian Stock Exchange.

Mr HORAN: I think this points out even more strongly the neglect by not having a board representative with such a massive investment or having a system of adequate reporting and regular accurate briefing. Two things have happened here. You were advised on 17 April of the magnitude of the problems, whereas Leightons advised the AMC of that in December 2002. Secondly, one of the most important things in this whole project was the fixed price contract. The

bank finance of over \$900 million, which was far greater than the \$500-odd million raised by public shareholding subscriptions, was dependent upon a fixed price contract. If you had someone on the board or some accurate reporting back, you would have known of these two particular problems far earlier, and something may have been done to protect this massive government taxpayer investment in the project.

Mr BARTON: I do not know where this range of questions is headed, but let me say this very clearly: there are systems in place within the Australian Stock Exchange for how companies are registered and how company shareholders elect their boards of directors. This was a public company that as a government we provided support very openly to, and the full details were provided in the prospectus that was provided publicly—similarly with the level of Commonwealth support and similarly with the level of support from the government owned corporation Stanwell Corporation.

It is up to the shareholders of the company to elect the directors. Under the current system that we have for managing, registering and listing companies, it is not possible for governments to simply say, 'We are going to put directors onto your board.' This is a matter for the shareholders of the company. It was a matter for the directors of the company to conduct themselves properly.

I do not want to make assertions that they have not conducted themselves properly, other than to really stress and agree with what the Premier said this morning. We are not happy with the way this board conducted itself. We are not happy with the way the senior management of this company conducted itself. It was far too late when the magnitude of the problem was made clear to us as a government, to the federal government, to the Stock Exchange and to the shareholders, in my view—and I stress 'in my view'.

That is a matter that is subject to an ASIC review at this point. It is also investigating whether there was adequate coverage in the prospectus of the degree of risk. I think it has made some preliminary findings. Certainly the material I have read indicates that it believes there was a substantial risk section in the prospectus. It is covered on pages 69 to 78 of the prospectus. But the securities commission is also investigating whether adequate disclosure was given early enough. It is not a matter that it did not tell the government; it is a matter that it did not tell its shareholders.

I stress again that shareholders are the people who elect the directors of public companies in this country. In terms of entering into new arrangements, we certainly insisted that key people from the board and key people in the upper management of that company be removed before we entered into the new arrangements that we agreed to in order to do our level best to keep the vision alive and to protect the shareholders.

The CHAIR: Mr Horan, before you ask the next question may I remind you that under sessional order 25 members are able to ask questions and not make statements or short speeches.

Mr HORAN: But my questions need to have some of this information. I want to put on record in my question that, according to the minister at the estimates hearing last year, \$192 million was put in from the government. That is \$128 million of the distribution assistance, and I know that \$28 million of that was paid back. There was \$50 million for infrastructure, \$5 million for stamp duty relief and \$9 million for railway infrastructure. From the government owned corporation Stanwell there were various overrun facilities and infrastructure of \$70 million, \$50 million, \$22 million and \$14 million, totalling \$156 million.

Minister, you have said, 'Where is this all leading to?' This committee has to sit in judgment on how well you have looked after taxpayers' money, let alone how well you have protected investors who have been lured into a project. If you had to do this again, would you put someone on the board so that all of these problems of you not knowing what was happening—all the major mistakes that you and the Premier have said the board and management made—would not arise again and so that a massive amount of taxpayers' money could be better overseen and better protected?

Mr BARTON: I stress to you again—and I think you need to understand—the method by which chairmen of boards are elected to public companies in this nation. Of course if we had to do it all over again, with the great benefit of hindsight—of knowing what has occurred—we may have done things very differently. We may not have supported the project at all. We may have insisted on different levels of support or different methods of support to better protect people. But the fundamental of who elects the directors of publicly listed companies in this nation remains the same. It is, in fact, up to the shareholders. Neither the state nor federal governments are

shareholders in this company. They are not in a position to insist on putting members on the board, even if they want to.

Mr HORAN: I just make the comment that you were a pretty big stakeholder. If it were your money in a project—a relative amount of money—you would want to have some say and want to know what was happening on a day-to-day basis. You would not risk letting it go like this so that things happen and you are three and four months off beat, not knowing what was happening.

Mr BARTON: I do not know whether that is a question or not.

The CHAIR: No.

Mr BARTON: I will take it as a question, because it needs to be answered. We have had very thorough processes in place, but at the end of the day you rely on the senior management of the company to give you adequate and appropriate reports. The jury is still out in this country at this point on whether that board and senior management gave their shareholders, let alone the governments, adequate advice at that time about the difficult position they were in.

The CHAIR: The time for questions from non-government members has expired. I have the pleasure of asking you, Minister, the first question from government members. This question refers to a project in the electorate of Albert which I am passionate about. I know that you, as the minister and as the member representing the neighbouring electorate, have shown great interest in and support for it. I refer to the Coomera marine precinct. On page 13 of the MPS there is a mention of 125 jobs and \$15 million worth of capital equipment for the precinct. Can you please outline how many jobs have been and are likely to be created at the Coomera marine precinct and what sort of capital investment has been made and is likely to be made in the future?

Mr BARTON: I thank you for the question. The Gold Coast Marine Precinct, located at Coomera, is one of the success stories in the growth of the internationally competitive marine industries in Queensland. It was open for business in the year 2000 and since that time has attracted a range of marine related firms working on builds, maintenance, refit, service supplies and design. The precinct is the home of the Gold Coast city marina, which hosts 37 firms, a 150-tonne travel lift, a dry storage shed which houses 250 boats of up to 40 metres in length, and berths for 220 boats.

Two of the largest firms in the precinct are the Riviera Group, Australia's largest recreational boat builder and one of the most successful exporters in the state of Queensland, and the Quintrex group. At present Riviera employs 960 staff, 138 of whom are apprentices, and is starting an expansion plan which includes a state-of-the-art glass shop. Riviera is indeed a great success story in the region of your electorate and mine. I am very proud to see particularly the way it recruits and trains young people and looks after them in such a splendid way.

The CHAIR: They do a great job.

Mr BARTON: They do a great job. Another firm in the precinct is Quintrex, a large recreational boat builder which began exports into North America just 18 months ago. It has already been so successful that it has established an assembly plant at Rhode Island in the United States of America. The firm, which employs 290 staff, is currently undergoing major expansion that will double its size on the site. At present there is strong demand for opportunities to locate at the precinct, particularly since the addition of new infrastructure, such as the Gold Coast industrial marine centre. This facility has already attracted Innovation, a builder of power catamarans.

The Department of State Development, through the Marine Industries Task Force, works directly with firms on the precinct to ensure that they receive opportunities to cluster and stay at the forefront of technology in the industry. Last month the task force ran a workshop in partnership with QMI Solutions covering both hard and soft technologies that drew over 30 business people. These workshops, by the way, have also been conducted in north Queensland and Brisbane. So we are not just looking after our patch.

The CHAIR: That is fair enough.

Mr BARTON: My department ensures that we give all of our marine manufacturers a chance to maintain their knowledge of smart manufacturing and to improve it. Late last year an independent study estimated the value of infrastructure at the facility to be \$100 million. As it is worth more than twice the amount of land still available within the precinct's boundaries, we can easily envisage that the next few years will lead to an even more significant investment and employment generation at the Coomera marine precinct. It is already very splendid—several thousand jobs.

The CHAIR: I would like to thank for your great commitment to the marine precinct.

Mr STRONG: On page 20 of the MPS it is stated that the Burnett water infrastructure project is on schedule for the commencement of construction. Could you outline what progress has been made towards the project and also what is planned in relation to the raising of the two existing weirs and the building of the two new weirs?

Mr BARTON: It is indeed an issue that is dear to your heart and is in your electorate. The Burnett water project is progressing on schedule. When completed it will provide huge opportunities for the Bundaberg-Burnett region. To date, more than \$30 million has been spent on this project and associated works. The government has set aside \$60.5 million in the 2003-04 financial year to advance construction and related activity. So despite some nay sayers grumbling that nothing is happening regarding the project, the work and the funding are well under way.

The water storage elements of this project consist of the main Burnett River dam, the Eidsvold weir, the Barlil weir and the raising of the Jones Weir. It has been estimated that the major water structure will cost in the vicinity of \$200 million-plus. Currently two parties—a consortium led by Thiess and a group headed by Walters—have been short-listed for the dam project's construction, with a decision on the successful bidder expected later this year. All federal and state approvals for the Burnett River dam are in place or have been significantly progressed to enable construction to start towards the end of this year.

This project is an election commitment and it is an election commitment that is well under way. On offer are a number of outcomes, but paramount is water surety and jobs. It has been estimated that in the order of 900 full-time jobs will be created during the construction phase of all of the proposed projects. Long-term economic benefits are anticipated to include net wealth creation of \$800 million a year and the overall creation of more than 7,000 new jobs. Studies completed indicate that regional water demand is clearly in excess of the new water entitlements to be created by the Burnett water infrastructure project and that these water entitlements will be able to be sold and/or leased at price levels that address the Council of Australian Governments' requirements.

Four groups have been short-listed to bid for the design and construction of the Eidsvold weir, and final selection is expected later this year. As I have previously stated, state and Commonwealth environmental approvals are in place for the Burnett River dam and three of the associated weir projects. Approval for the Ned Churchward Weir—the one formerly known as the Walla Weir—is subject to further environmental research that is being advanced by the state government. We are still hopeful that those studies, particularly the environmental studies, will allow for the raising of the Walla Weir as well.

I should stress to the nay sayers that we had to make strategic decisions with regard to both getting sustainability and protecting the lungfish and Elseya sp turtle. We needed to do further studies in the area of the Ned Churchward Weir before committing to that or we would not have been able to move on the rest of the projects that are already very well advanced.

Ms STONE: Page 22 of the MPS refers to the implementation of the public-private partnerships policy. In particular I am interested in how and what projects are being considered for advancements through the value for money framework and what criteria is being used in that framework.

Mr BARTON: I thank you for the question because this government is certainly moving forward with implementing its PPP policy. As already announced, two important infrastructure initiatives progressing under the policy's framework are the redevelopment of the South Bank education and training precinct and the duplication of the Gateway Bridge and motorway. In launching the PPP policy the government has acknowledged the benefits gained by other governments in Australia and overseas through taking a partnership approach with the private sector to deliver public infrastructure. PPP has offered governments the opportunity to utilise qualitative risk transfer to the private sector; to harness private sector management skills, innovation and efficiencies; and to develop a long-term and output based contractual arrangement that secures value for money throughout the life of that infrastructure.

A cornerstone of the policy is the value for money framework—a comprehensive set of procedures for evaluating the full range of infrastructure delivery options to determine the value for money solution—PPP or otherwise. The framework applies to public infrastructure projects where the expected capital value will exceed \$30 million. The framework is essentially a transparent and accountable model for consistently assessing infrastructure proposals and procuring priority infrastructure that supports community services.

It promotes disciplines for investment analysis such as focusing on outputs, understanding whole-of-life costing and identifying risks and appropriately allocating those risks to the party best able to manage them. The decision to proceed with a PPP will be made only by government where rigorous analysis identifies it as the best value-for-money option and where it is in the public interest.

The Infrastructure Partnerships Taskforce—or IPT—which is in my department has been working very closely with agencies to assist them in applying the value-for-money framework to advance a number of strategic infrastructure projects. Currently, it is involved in 15 projects with capital costs alone totalling some \$3 billion. The first PPP, the redevelopment of the South Bank education and training precinct, called for expressions of interest in early 2003 and received a positive response from industry indicating their acceptance of the new policy framework. These EOIs are currently being evaluated and a short-list for the bidding stage will be announced in the near future.

Recently, the government also announced its plans to develop a PPP business case for a \$1 billion duplication of the Gateway Bridge and Motorway. This is a very important step in identifying the major projects and we are well under way. I thank the member for Springwood for the question, because it is all about getting best value for money for the taxpayer's dollar.

Mr CHOI: The last dot point on page 14 of the MPS indicates clearly that business migration would be targeted as a source of investment and new business start-ups in the state. Could you advise the committee how you propose to achieve this objective?

Mr BARTON: I thank you for the question. Of course, the member for Capalaba is very much a migrant to this country and is a very experienced businessman. It is all about getting the diversity and experience that we will get by getting people from other countries and other cultures, which adds to the whole and improves the whole. The government is committed to taking full advantage of recent changes in the federal government's rules covering the entry of migrants with business skills. These changes will enable Queensland and other states and territories to sponsor migrants wishing to invest in establishing or purchasing a business and operating it in that state or territory. The migrants need to meet federal government criteria as well as gaining our sponsorship, but these criteria are set at a lower level than those currently required for un-sponsored entry.

With a larger pool of potential business migrants, the government now has the opportunity to use the Business Skills Migration Program to strategically advance our Smart State agenda. This program will be coordinated with various departmental initiatives, such as the export strategy to generate employment, promote diversification and enhance priority industry sectors. Based on our studies, we know that three-quarters of businesses in which business migrants are engaged are new ones, that two-thirds are exporters and that an average of five jobs are created per new migrant. They are great odds, because it says that they are in the smart business—they are into exports, they are into creating significant numbers of new jobs.

To support the program, the government will undertake targeted and focused international and domestic marketing to attract skilled and experienced businesspeople. Equally importantly, we will provide after-care in the form of departmental services suitable to each individual's particular business. Based on the 2000-01 figures—the last that we have comprehensive and finalised figures on—this financial year Queensland could gain 3,000 business migrants and they will transfer to this country an average per person of \$732,000.

This is indeed an outstanding opportunity to increase the numbers of skilled and experienced businesspeople who can further Queensland's economic agenda. The government will do everything that it can to be proactive in encouraging them to come and then supporting their efforts to build successful business operations in Australia's Smart State. It is something that, as a department, we put an enormous amount of effort into. It is not just good enough to go out there and sell investment to assist companies to thrive; if we can attract some very skilled people with investment money who are prepared to come in here and help build our investment environment as well as improve our cultural diversity, then that is good news for this government and great news for this state.

Mr CHOI: Further to my first question, page 13 of the MPS states that the continued focus of the investment division will be attracting major domestic and international investment to Queensland. Can you explain why the government is offering this incentive?

Mr BARTON: Absolutely, and I thank the member for the question. It is indeed one dear to my heart. The Queensland Investment Incentive Scheme—or QIIS—is the principal assistance

program available to the state government to influence the location of major projects to the state that, in the absence of financial incentives, would not locate in Queensland. To be eligible for assistance under the scheme, the company or project must promote the competitive base of the state's economy, provide a significant net economic benefit to the state, demonstrate commercial viability in the absence of incentives, demonstrate a need by the government to provide support to overcome a short-term impediment to the company or project's development in Queensland, and demonstrate no significant detriment and/or substitution for existing businesses in Queensland.

All eligible applicants under the scheme are subjected to a rigorous review and due diligence by my department. A commercial evaluation report, an economic assessment and any other necessary reports are prepared for the QIIS committee's review and consideration. After receiving the reports, the committee may make a recommendation of financial assistance for a project through the director-general to the minister, which is, of course, me at this point in time. Assistance is provided only after the execution of a performance based agreement and documentary evidence of expenditure. All funds are underwritten by performance undertakings and, in the case of cash grants, secured by bank guarantees or equivalent securities from the guarantee for the full term of the agreement. In addition, the ongoing contract management entails regular audits and visits to the project as well as seeking regular project company updates.

Last financial year—as at 30 June 2003—there had been 19 offers made for QIIS eligible projects of which 11 companies accepted offers and five agreements were executed. For other strategic projects, four offers were made, five companies accepted offers, and six agreements were executed. Of course, I indicated that there was one announced today as well. The QIIS budget for the 2002-03 financial year was \$43.4 million. As at 3 June 2003, \$15.8 million had been paid out to grantees. While there will be a significant carryover, all of those funds are committed and the moneys will be claimed in the following financial years.

Special focus has been given to supporting major regional projects and technology based projects. QIIS will continue to be important in the success of this government's Smart State strategy. Incentives have assisted in attracting skilled jobs to the state and in building capacity in biotechnology and in rapidly expanding areas such as information technology, manufacturing and aviation.

Ms STONE: Page 15 of the MPS cites future development-targeted research and strategic development on education and skills for industry growth factors driving competitiveness and industry development. Could you outline what targeted research has been undertaken by the department?

Mr BARTON: Yes, I would love to. As part of the government's effort to transform Queensland into a Smart State economy, the Department of State Development undertook several important research projects into factors influencing Queensland's skills development. Two of these research projects have particular significance. The first is into the skills and knowledge requirements of key manufacturing industry subsectors, linking with the department's big Making Queensland's Future strategy, which was launched in April 2003 by me. In this project, the department gained industry input through consultation with manufacturing enterprises, training organisations and peak bodies as well as interviewing key stakeholders. The key people told us what we needed to do.

The second project studied the factors that will enable Queensland's education and training system to become more responsive to the skills needs of the state's emerging industries. The report for emerging industries was endorsed by the government's CEOs committee for employment, economic development and infrastructure. The work gave us a better understanding of how such skill needs evolve and recommended strengthening the links between government agencies, academia and industry bodies and associations. My department is now working with the Department of Employment and Training and other interested agencies to implement the report's findings.

A major regional initiative is the establishment of a one-stop-shop approach for education and training in the Mackay region. This is an innovative approach to education and training. The Mackay region is a very appropriate place to trial it, given the current skill shortages experienced across its core industry base.

As I announced in May this year, my department is partnering with the Department of Employment and Training and the Australian National Training Authority to fund the full-time work of a coordinator to develop a regional education and training strategy. This person will be appointed in the next few weeks and will be employed for an 18-month period. The strategy will

initially focus on manufacturing related industries, including services to the mining, sugar and marine industries. What is learned from this initiative will then be applied across regional Queensland. I should stress that making sure that we—I think I have run out of time.

The CHAIRMAN: Thank you, Minister. The time for questions from government members has expired. I call the member for Toowoomba South.

Mr HORAN: Minister, I refer to page 7 of the Ministerial Portfolio Statements under the heading 'Business and Market Development Services' where it talks about the department assisting businesses in survival and growth and assisting businesses generally. I want to refer to the ambulance tax, because that is a very important problem for business. As the minister in charge of a department that is responsible for small business and for business in this state, what did you do to protect small business from this inequitable ambulance tax which many businesses have to pay many, many times over?

Mr BARTON: I think we need to put this in context, because very clearly, yes, I am very proudly the minister responsible for small business in this state. Of course, what we have seen, as the Premier announced, is the introduction of the proposed community ambulance levy on 18 February this year. The levy has been set initially at \$88 per year. It will be indexed annually by rises in the CPI. The general feeling within the small business community is that, while it accepts the introduction of the ambulance levy as necessary to fund the Ambulance Service, it is concerned—and understandably concerned—about the issue of multiple payments.

The government has, however, listened to this concern and has taken measures to address this by allowing businesses with multiple accounts on one premise to pay the levy on only one account. Under these circumstances, businesses will pay an additional levy only when the business operates from multiple sites. In many cases, those small businesses which operate from multiple sites are likely to have separate cost and revenue structures for each of these sites for accounting and taxation purposes. In such cases, it is envisaged that the ambulance levy would be able to be reasonably accounted for.

Accidents do occur in workplaces, giving rise to a considerable utilisation of the Ambulance Service. It is not just in private homes that accidents occur or that people need to be supported by the Ambulance Service. Under these circumstances, it is not unreasonable for businesses to contribute to the service. To further mitigate the impact of the levy on businesses with multiple accounts, Ergon and Energex have policies in place to allow some customers with multiple accounts to consolidate their accounts into one account.

Very clearly, you asked me what I have done. As a member of cabinet, I very forcefully put forward my view within cabinet. What I say within cabinet, of course, is a matter for cabinet and you will appreciate that as an ex-senior minister in a previous government. But there were, in fact, issues related to this. People will recall that initially what we wanted to do was what we thought was a fairer way in terms of rates. Local government had serious objections to that. We listened to them. We would prefer to do it through the Medibank levy nationally, but the federal government will not agree. But we have responded as a government to the concerns of small business to make sure that any impact on them is minimised. It is important that they pay their share, but that has been subject to minimisation.

I know, as the chair of the Queensland Small Business Advisory Council, that it has not been raised with me by small business. I know at the time of the announcement of its introduction, I addressed—if I could just take a couple of seconds—a major breakfast with several hundred Gold Coast small businesspeople at it. I took questions at the end of my speech for some 30 minutes and I did not get one question on the levy. It is certainly insurance, and insurance liability is a huge issue facing small business. That has a far bigger impact on them—and we are seeking to do something about that—than the ambulance levy, but we did make adjustments in response to the concerns of small business.

Mr HORAN: Minister, as you know, I can very quickly show you people who have to pay it 18 times, eight times and seven times. It is particularly inequitable for those people. It is inequitable for people with small businesses who are not on a big salary. Some people earning high salaries only pay the levy once. These people have to pay the levy on their business and they have to pay it on their storage shed if that is on a separate premises. Are you prepared on behalf of small business to do what the coalition has been proposing, and that is to fight for businesses not to have to pay the levy so that everybody pays it once and so that it is fair? As minister responsible for small business, are you prepared to do that?

Mr BARTON: I think we should be very clear about what our role here is at this budget estimates committee. Yes, I am the minister responsible for small business. I am very proud of that. I am happy to take the views of small business on board and argue and fight for their needs, but I am not the minister responsible for the ambulance levy. The Minister for Emergency Services has primary conduct of the ambulance levy. I also took note of some of the questions that you were asking the Treasurer earlier in the day about the ambulance levy. As the Treasurer, he certainly has an involvement in the raising of all finances in this state.

I have already stressed to you that, yes, this government did respond collectively to the fact that a number of people were being asked to pay for multiple accounts. But we need to be cautious about this because some of them will legitimately be multiple accounts. If a business has several distinct operations and they are funded separately and managed separately, then very clearly they should pay the levy on each of those operations. We have already indicated that there are many cases where just through, I guess, ease of administration people have had multiple metres on an individual business in an individual location. It is my understanding that in those circumstances we have made the adjustment so that those businesses only get one account.

It is not an area where I, as a minister who is not responsible for the implementation nor collection of this levy, am able to say, 'Yes, I am going to change the ambulance levy' because it is not within my portfolio responsibilities. I have already indicated how this government has responded by putting in reforms since we announced the introduction of the levy that will minimise that impact on business, and I should also say we are very proud that in this state we have the most competitive business environment, the most competitive small business environment, the lowest payroll tax levels, the highest thresholds for payroll tax—

Mr HORAN: You have answered my question. I will move on now.

Mr BARTON: The only state with 19 state development centres—

Mr HORAN: You had a minute over on the previous question. I think you have answered that.

Mr BARTON: I have the floor at the moment.

Mr HORAN: Yes, but you had a minute over on the previous one. When are we going to get a fair go here?

Mr BARTON: I gave you about five minutes to ask the first question, and I will complete my answer. We are the only state with 19 state development centres out there supporting small business, and you have seen from the answers to your detailed questions on notice—which also did not meet the standing orders of the parliamentary committee—that we gave you complete detail of what those state development centres do.

Mr HORAN: Minister, I want to refer you to some of the companies which have lost their headquarters here or moved their operations from Queensland—for example, MIM, which had a problem with its headquarters, Kellogg's, the debacle of AMC, the lack of success of LG, the Rolleston mine problem, Austoft moving off to Brazil, the gas pipeline from PNQ still not here, Queensland Cement, QNI, QCT Resources, Jupiters and even Castlemaine Perkins. What action are you going to take as a minister to try to reverse this very serious and worrying trend which is occurring in Queensland, where once everybody was coming here and now we are seeing a reversal of this trend under your leadership?

Mr BARTON: I think you need to understand that, contrary to a reversal of the trend, we have huge numbers of companies still coming here and increasing their operations in this state. In terms of listed companies with national operations headquartered in Queensland that we have been continuing to support there is Colorado, Collection House, GWA, Technology One, Data 3, Flight Centre, Suncorp, UNiTAB, ABC Learning, Peplin Biotech, Billabong, Mincom, G James Aluminium, Teys Brothers, Grainco, Golden Circle, Mackay Sugar, Carter and Spencer, Riviera Marine, McCafferty's buses, EGR, B&D, Tender Plus and Brisbane Airport Corporation.

I made the announcement in my opening comments today about how we have encouraged MBF, rather than shift its locations interstate—and there were over 100 jobs in its existing location here that would have been lost interstate—to expand here in Queensland, and I think that gives us another 61 jobs. I would need to go back to my opening comments to check that.

Another major project that was encouraged to come here and which New South Wales fought very hard to retain was Capral. That is going on in Ipswich with over 300 jobs coming into Capral. You cannot always hold on to everything. If you want to say to me that I was responsible

for a takeover by Xstrata of the MIM group, then you give me a lot more power than I have any capacity to even think about exercising.

We should look at a couple of examples. We have talked about AMC before, and it is appropriate that we did. Day Dawn was a small company that was taken over by Kellogg's here several years ago. Kellogg's has its major facility in New South Wales. It has capacity to expand in New South Wales. Day Dawn is on leased properties here. We fought hard to keep it here and to poach Kellogg's operation out of New South Wales. Because it was regional New South Wales, the New South Wales government went in with big pockets and it scored a tick against us—one of the few that it ever has.

Austoft: sadly, it is a reflection on it that it has lost 90 per cent of its market because of the poor sugar industry, and yet its Brazilian operations are expanding massively. So it has made a strategic decision. But I should also put this on the record: Austoft is owned by Case New Holland, which is ultimately owned by the Fiat group, and on that same day Fiat announced worldwide the closure of 12 plants, Austoft was one for those reasons. We are working with Austoft to explore other opportunities for that site, and we are hopeful that we might be able to get that going. As regards Jupiters, we will continue to work on that. If you give me another three or four minutes, I will tell you about the rest.

Mr HORAN: My next question is regarding public-private partnerships. There was some comprehensive work done on the actual theory and how they would operate. Approximately 12 months ago an announcement was made that you hoped to do some \$2 billion worth of public-private partnerships. To date the only one that seems to be set in stone and ready to go is the one on South Bank involving TAFE. I also refer you to comments made by Cameron Milner of the ALP in an address to the Property Council infrastructure breakfast, where he cautioned that public-private partnerships were not set in stone and they face significant union opposition. When will your department make some public-private partnerships actually happen in this state?

Mr BARTON: I think you need to have a good look at the framework material. The framework material was publicly launched by me in August, I believe it was, of last year. The PPP process was put together, including complete framework documents, after the most extensive consultation with the development industry, with the finance industry and with the people who are likely to become involved in PPPs.

My Ministerial Portfolio Statement on page 24 presents a measure of private sector infrastructure projects that includes the planned activity of the IPT. That is a division within my department headed up by Shaun Drabsch. That plan is for seven major private sector infrastructure project proposals being facilitated in this coming financial year and eight major private sector infrastructure project proposals being evaluated.

You have heard me say in response to a question from another member of the committee how far advanced we are with the South Bank and training proposal, how far advanced we are with the duplication of the Gateway Bridge. I have already indicated—and you are correct—that last year there was some \$2 billion worth of projects being evaluated. There is currently \$3 billion worth of projects at various stages of the evaluation. I have seen that same report in which Cameron Milner supposedly said, 'Look, it is not going to happen' or 'It is under threat.' I have supposedly said it at a board room luncheon. I have had that investigated and other people present at that board room luncheon have reported to me that Cameron said no such thing. So I think we should get away from the mythology.

My government's party recently had its annual state policy conference. There was no debate about PPPs. The government is progressing its PPP policy but, as you understand from the framework documents, each one has to be considered on its own merits case by case by case. Naturally, when you are looking at major changes in culture of how certain organisations operate there are going to be people who have some fears and some concerns. They are entitled to have those fully considered and fully evaluated and be comfortable with the level of change that is made. We are well advanced in the early stages under the framework document of some \$3 billion worth of PPP projects.

Mr HORAN: Minister, I refer to the infrastructure and project facilitation section of the MPS and the role of your department to facilitate and coordinate infrastructure developments, and I ask: how do you then explain the stand-off between your department and the Environmental Protection Agency over the last 18 months concerning the adjustments to the profile of the Nelly Bay beach to allow water flow at low tide under the land bridge between the mainland and the breakwater that is required under the Great Barrier Reef Marine Park Act 1975? Why, despite

repeated request to the coordinator-general from contractors and architects, did this dispute result in an 18-month delay in the Nelly Bay Harbour development which is still not finalised?

Mr BARTON: When you say the Nelly Bay Harbour development is not finalised, in fact Nelly Bay Harbour was finalised in terms of its construction. I am looking for a date in here but it was certainly signed over to the Transport Department some months ago now by my department. When you say there was a stand-off between my Department of State Development and the EPA over that issue of the water flow under the bridge between the development and the land, I do not remember us having any form of contest with EPA.

I certainly know that there was a point where we were finding it very, very difficult to get a consistent position from the Great Barrier Reef Marine Park Authority. I ended up intervening in that directly, not just in taking a huge interest and a huge personal interest in terms of what officers of my department were doing with Nelly Bay. On several occasions I had direct discussions with the Chairperson of the Great Barrier Reef Marine Park Authority, Virginia Chadwick, and also John Tanzer, the Chief Executive of the Great Barrier Reef Marine Park Authority, to ensure that we finalised that construction. It did seem at one point that every time we turned around and believed that we had met the criteria we found a change in the set of circumstances in the Great Barrier Reef Marine Park Authority. I do not question the authority. As I say, in exercising its role it made sure that we did take additional steps.

The major construction of Nelly Bay was all but finalised late last year. There then did need to be what we referred to as the beach work to put the channel between the island and the piece of infrastructure so that it was legitimately not part of the mainland. There were some delays in terms of finalising the design and delays in getting the approvals, but I must stress that for some months now we have been totally clear as a department on Nelly Bay. We handed the project back I think initially to the Department of Natural Resources, which then handed it back to the Department of Transport. Is that correct?

Mr Cook: Yes.

Mr BARTON: I am looking for the date on my brief, because if I quote a date I would like it to be correct. But we have been clear about that for quite some time. I want to be really clear: it was not because there was any form of brawl between us and the EPA. That is absolutely not the case at all. Federal authorities that are independent have a way of making sure that they get their way.

Mr HORAN: I refer to question on notice No. 7 regarding grants. There was a comprehensive reply, for which I thank the department. There are two areas that I want to ask you about. One is \$20,000 to the Worldwide Fund for Nature Australia, which was for environmental management and did not show any new jobs or jobs retained. It simply said it was for environmental management, whereas all the other grants either provided jobs retained or new jobs. That is \$20,000 for the Worldwide Fund for Nature Australia.

Mr BARTON: Can you tell me where that is? As you quite correctly said, there is a huge amount of information provided to me.

Mr HORAN: It is in the early pages. Your staff might find that whilst I am finishing the second part of the answer. It was question on notice No. 7.

Mr BARTON: I have the answer in front of me.

Mr HORAN: It is the first page, actually. Secondly, this one does not seem to be part of your department, the Maroochy Shire Council, \$472,728 for a Nambour arts incubator. I would have thought the first grant would have been something for the Environment Minister and the second one something for the Arts Minister.

Mr BARTON: Let me answer the first question as well as I can while people look for some detail if possible on the Nambour arts incubator.

Let me put it in this context. This department is a whole-of-government agency. In fact in many, many developments across the state the department plays a coordinating role. Certainly the best known role in that, of course, is through the Coordinator-General in terms of projects of state significance. That does mean that at times we are involved in a large range of projects and coordinating the work of a large number of departments. That sometimes puts us into some areas that do not appear to be our natural business. The Worldwide Fund for Nature is certainly something that I will take on board and have a look at because it does say 'socioeconomic impacts of GBR coral bleaching'. It is 'for water quality in the Great Barrier Reef jointly with other agencies, advice to the department'.

Many of the things that we do have an impact on the Great Barrier Reef. As you are aware, I currently have the major responsibilities again simply because of the whole-of-government role of the DSD for trying to negotiate some outcomes to the current sugar industry difficulties and to find ways to assist that industry. The Great Barrier Reef is something that we are infinitely aware of as part of that process of the sugar industry's impact on it and many of the other developments that happen up and down the coast that potentially impact on the reef. No doubt it would have been considered that this was an appropriate grant to provide with a range of other agencies, I am told, by our department. We were sharing the costs of that study to see what the impact was, part of the impact being, of course, what industry's involvement is on the reef.

The other question was on the Nambour arts incubator. Again, in early 1999 the Queensland government provided \$154,000 to investigate the feasibility of establishing an arts and convention centre on the Sunshine Coast. In April 2000 the Queensland government approved funding of \$520,000 over two years for the renovation of the civic centre for the proposed Nambour arts incubator. I am running out of time if you want a full answer on this. Again, it is typical of a range of projects—everything from floriculture developments. Because of State Development's role as a whole-of-government agency we regularly get involved in projects of this nature.

The CHAIR: Thank you, Minister. The time for non-government members' questions is expired. I call the member for Burnett.

Mr STRONG: Minister, on page 23 of the MPS it says your department will progress investigations of water infrastructure development priorities. How does an area get its water needs listed as a priority and how will the priority list be determined?

Mr BARTON: I thank you for the question because water is something that we all have a great deal of concern about at this point in time. My department has lead agency responsibility for water infrastructure development and for the facilitation of major water infrastructure projects in Queensland. Its key responsibilities are to provide the government with strategic advice on infrastructure development priorities and to facilitate implementation of major water projects approved as priorities by government.

In determining these priorities, which must be consistent with the water resource planning activities led by the Department of Natural Resources and Mines, the department has regard to the State Infrastructure Plan, which is developed by our department, which identifies priority areas where water has been identified as of critical importance to the realisation of economic development in the region; that water resource plans have been completed by DNRM identifying that water is available for consumptive purposes—that is part of their study; that a prefeasibility study or a business case has been completed which indicates that the project is likely to be environmentally sustainable and economically viable; that demand and revenue streams exist to justify the investment; and that there will be strong regional economic benefits from the project and that there is a likely proponent for the project.

The main focus of my department's work to date has been on the Burnett water infrastructure projects and the investigation of an emergency water supply to Gladstone in response to the drought. The department has facilitated the Burnett water infrastructure projects, achieving significant milestones that include establishment of a new water service provider, Burnett Water Pty Ltd, with a commercially focused charter to develop the projects; receipt of significant state and Commonwealth environment approvals; designation of the Burnett water infrastructure projects as community infrastructure and a designation of the infrastructure projects as facilities of significance; establishment of an innovative alliance partner selection process for the construction of the Burnett River Dam; substantial acquisition of land required for the water infrastructure projects; completion of extensive economic analysis that clearly demonstrates the economic viability of the water infrastructure projects; investigation of commercial arrangements for the pricing of water; and establishment of considerable environmental research and development programs to support management strategies that address Burnett catchment-wide environmental issues identified during the EIS process, including lungfish and the Elseya turtle.

Planning is on target for the commencement. We are also doing several others, including Gold Coast Water—assessment of alternative water supply strategies, including a proposed pipeline from Wivenhoe Dam to the Gold Coast, and Wide Bay—coordination of statutory approvals to raise Lenthall's Dam. There are others, but I have run out of time.

Mr CHOI: Minister, page 15 of the MPS states that the focus for the marine industry will be capacity development in the areas of manufacturing, marketing, exporting and the uptake of new technologies predominantly in the superyacht market. Can you advise the committee what has

been achieved in the superyacht market to date and what is your department's agenda for the next financial year?

Mr BARTON: I thank you for the question. It has certainly been a success story for the department. It has been estimated that Queensland's marine industries employ more than 7,000 people directly and generate annual turnover of \$1.3 billion. In boat building Queensland has 46 per cent of the national market and the industry continues to grow. Nearly half of its production is exported, making it one of our most export intensive industries.

Through the Marine Industries Task Force within my department, strong partnerships have been developed with all sectors of the industry. Regional marine agendas have been developed in all coastal regional hubs to develop and expand marine activities. Depending on the region, these activities have focused on additional infrastructure, expanding boat building, clustering firms to address key impediments to growth, and marketing services and supplies. The department strongly promotes development of the recreational boating sector. For example, in 2003-04 it will sponsor both the Brisbane and Sanctuary Cove Boat Shows and use the successful events to promote this industry sector in the domestic and international markets.

In July, the department will begin preparing a technology road map for the marine industry which will result in a plan to employ smart technologies. QMI Solutions is partnering with the department to make this happen. In October, State Development is sponsoring Ausmarine East, an international expo and conference for commercial, government and military vessels. It will be an important opportunity to network with some of the leading boat builders and suppliers and for our Queensland firms to provide details of their capabilities.

In the superyacht sector, the department is working closely with the purpose built superyacht manufacturer—Shipworks Brisbane—to assist the company to expand its operations at Brisbane Marine Industry Park in Hemmant on the Brisbane River. Since beginning operations in late 2001 the company has developed infrastructure that includes an office block and three sheds. We are talking about sheds that are larger than most aircraft hangars. Shipworks Brisbane has a staff of about 140 and it is well advanced on its first superyacht, a 44-metre vessel on track for launch in September. It is estimated that local content is about 70 per cent of the total cost and that Queensland input is \$15.75 million. To date, 250 local suppliers have been involved in sourcing a wide range of products including robotic cutters, bending machines and bollards. Recently the company also moved to a new stage with the first refit of a superyacht, the Australian-owned 'Kokomo', which is currently in the sheds at Hemmant. Shipworks Brisbane has entered into training arrangements with the local TAFE institution for 14 apprentices. The company is providing in-house training and testing to maintain employees' expertise, particularly in metal fabrication, that will guarantee the standards required in the manufacture of these luxury vessels. We see this as being a huge growth area in this state.

Mr STRONG: Minister, page 21 of the MPS mentions the facilitation of major infrastructure works and projects in the Australian TradeCoast area. What did these infrastructure works and projects include?

Mr BARTON: If I could give some examples. I really do thank the member for the question, because Australia TradeCoast is the most significant industrial development area in south-east Queensland. It is unique in that it has a range of high quality developed industrial blocks located next to world-class air, sea, road and rail infrastructure, and the whole site is within 15 kilometres of the Brisbane CBD.

The government remains committed to the provision of major new infrastructure in the area to support business investment. Key projects completed or committed in the period include the \$196 million Port of Brisbane Motorway and upgrade of Lytton Road which opened in December 2002; two new electricity substations at Lytton and Murarrie worth \$19 million and \$17 million respectively which will ensure a reliable electricity supply not only to the Australia TradeCoast but also to the increasing residential demand on the bayside; the construction of a new trunk sewer system in the south-east southern sector to service industrial areas which is expected to be completed by June 2004; expansion of the Port of Brisbane Fisherman Islands facility to provide 1.8 kilometres of new quay line and 230 hectares of new port land over the next 30 years; major new aviation facilities at Brisbane Airport; new slip lanes totalling \$4.2 million at the intersection of Airport Drive and the Gateway Motorway to alleviate traffic congestion entering and exiting Brisbane Airport. Two major projects currently under investigation are upgrades to the Gateway Motorway and construction of a second river crossing and sources of landfill to sustain major new projects such as the parallel runway.

Over the past three years record demand for industrial land in the TradeCoast, particularly in the southern area, has resulted in a scarcity of large industrial blocks to meet ongoing demand. However, the northern area has large areas of undeveloped land which will accommodate not only the aviation industry but also large scale industrial development in the short to medium term. The department is now looking at a number of options for funding future infrastructure for this northern area. It is hard to overstate the importance of the Australia TradeCoast to Queensland's economy, but the government takes pride in the fact that the area is creating more than 4,000 new jobs every year and in the past three years has attracted \$1.5 billion in investment in Australia TradeCoast. This investment has been drawn here from a mixture of local, national and international sources and is driven by changes in transportation and distribution patterns not only in south-east Queensland but also key states like New South Wales.

The area is a major east coast transport hub. It has significant competitive advantages over Sydney and Melbourne in transport and logistics. This has, in turn, attracted industries reliant upon transport and logistics. We are going to keep doing it. It puts it into the context that we have a lost a few but we have gained a hell of a lot more than we have lost.

The CHAIR: Absolutely. That is very good news.

Ms STONE: Minister, I notice that on page 14 of the MPS there are a number of references to small business. Can you please tell the committee what your department has assisted Queensland small business with?

Mr BARTON: I would love to tell you. I know of the support that you give to small business in your area and that you lobby on their behalf. In 2002-03 my department assisted the small business community in many ways, including but not limited to the following. The generic management skills needs of small business operators were supported through the provision of a comprehensive range of management skills, workshops and tailored programs. More than 30,000 participants attended approximately 1,200 seminars and workshops conducted around the state. Details of all of them are there in answer to a question on notice. The Smart Women, Smart State series of workshops was launched and attracted 900 women in 12 centres across the state. In 2003-04 this popular program will be extended to 19 centres.

The Leadership and Management Program, or LAMP, assisted seven industry associations throughout Queensland to enhance the management skills of their members. Extensive work was undertaken with local governments and the Department of Local Government and Planning to improve the regulatory environment at this level of government. Two key achievements were the development of a framework for local government to address regulatory reform issues and the development of practical, non-mandatory guidelines to assist local governments with the process of making local laws.

The defence business opportunities project directly assisted 315 Queensland companies to gain access to defence procurement opportunities, resulting in contracts valued at approximately \$11 million. Queensland based businesses secured more than \$450 million in Australian Defence Force contracts. A new online service—Smart Skills Online—was launched to enable users to develop management skills. The interactive service was immediately in demand and received an average of 490 monthly visits, with an average session time of 22 minutes. The Cairns business tourism strategy was implemented to assist Cairns businesses to take advantage of enhanced market opportunities, particularly those with Australian Airlines hubbing out of Cairns. The Retail Shop Leases Registry service realised savings to business and government estimated to be in excess of \$8.5 million. More than 1,040 potential clients were identified and addressed and more than 12,000 clients were visited in the registry's awareness campaign.

A third round of enterprise education model projects was undertaken, serving to promote innovation and business insights in secondary schools. Some 40 schools received grants totalling \$126,000. The department also supported other awards for young achievers—the future small business people. The SmartLicence online service, enabling clients to determine government business licensing requirements, continues to be enhanced, with more local authorities being tied to the service now. I could go on for quite some time, such is the extent of our support for small business.

Ms STONE: Minister, page 23 of the MPS states that your department will undertake due diligence commercial and economic evaluation of project proposals and give commercial advice in respect of financial assistance requests under the Queensland Investment Incentives Scheme. What is in place or what will be put in place to protect the integrity of the scheme?

Mr BARTON: I thank the member for the question. In November 2002 the Queensland Audit Office and the Crime and Misconduct Commission made a number of recommendations in respect of the conduct of the Queensland Investment Incentives Scheme. The Premier responded to those recommendations and his response is recorded in a ministerial statement in *Hansard* of 8 November 2002. There were also concerns raised by a disgruntled staff member that were investigated by Crown Law and the CMC at around the same time. The specific steps my department has taken to implement the recommendations and to improve the management of QIIS in fact go far further than the Queensland Audit Office and the Crime and Misconduct Commission recommendations require.

These include: restructuring the management of QIIS funds to clearly separate the due diligence and project assessment functions from the project advocate function to ensure that independent and reliable advice on both the viability and strategic merit of projects can be considered by the government; the appointment of a new high-level QIIS evaluation committee which for major strategic projects also includes representatives from the departments of Premier and Cabinet and Queensland Treasury to bring the highest level of independence, discipline and confidence to QIIS recommendations; the appointment of a dedicated QIIS secretariat to provide policy advice and coordination and ensure independence of documentation reviewed by the QIIS evaluation committee and to improve the audit trail once recommendations are made; the appointment of a new management team with much higher-level financial management skills than previously available to ensure that ongoing management of grant agreements is conducted at the highest level; the approval and process of implementation of a new resource plan for the management area that will almost double the staff in the due diligence assessment and management area; the development and approval through cabinet of new, more rigorous guidelines that provide officers, the evaluation committee and decision makers with clear guidance on how the QIIS process is to be managed; and the development, approval and implementation of a new risk management plan for QIIS in conjunction with the internal audit office of the Department of the Premier and Cabinet.

In addition we have continued the positive elements of the QIIS that were already in place, including requiring bank guarantees on all new assistance proposals and conducting thorough due diligence on all new applicants. All of these changes have been made to ensure that the public can have confidence that funds provided for incentives are only done so after careful consideration and that, once given, grants are managed at the highest standard possible.

With respect to the allegations made by a disgruntled staff member in early 2003 about senior departmental executives relating to resources to conduct the work, the Crime and Misconduct Commission undertook an official investigation. In its response dated 29 January 2003, the CMC advised that, having considered all the information, it is not considered that the conduct would amount to official misconduct. The CMC found that there was no misconduct. Alternatively, Crown Law also investigated the allegations and also concluded that no improper interference in the performance of duties was found.

Mr STRONG: Minister, page 3 of the MPS refers to building Queensland's regions. What is being done to ensure the building of the Sunshine Coast region?

Mr BARTON: I thank the member for the question. My department is undertaking a range of programs and initiatives to further build the economy and prosperity of the Sunshine Coast region. One of the major ones is coordinating a proposal to establish a knowledge precinct on the Sunshine Coast. The department is working with the University of the Sunshine Coast, Education Queensland and Maroochy Shire Council to develop a knowledge precinct adjoining the university campus at Sippy Downs. Although there are town planning issues involved, it is expected that a concept plan will be completed by the end of 2003.

We are jointly funding with the Caloundra City Council the development of a master plan for a business and industry park for Caloundra city. Construction of stage 1 of this industrial estate is scheduled for 2003-04. In collaborating with the Caboolture and Caloundra local governments on various activities to investigate significant future land use opportunities in their corridor the department is taking a 20-year plus view of requirements for this corridor but is also considering potential interim land uses. The work is based on reviewing all industrial land requirements, considering options for better future use of state owned land in the corridor to support economic development, and assessing opportunities that may arise from the large parcel of privately owned land in the corridor which adjoins state owned land.

Another important regional land study being undertaken by my department is the Sunshine Coast Industrial Land Requirements Study. This study, which is completed in draft form, will form

the basis of consultation with the Regional Planning Advisory Group. The Sunshine Coast has been chosen as just the second region to benefit from local government regulatory reform. In a new initiative last year, my department developed a framework for such regulatory reform, which it prepared in collaboration with the shire councils south of Brisbane and local business organisations. Four Sunshine Coast councils have committed to undertaking this process in 2003-04. They are Maroochy, Caboolture and Noosa shires and Caloundra City Council. The region has also been given front running for a timber research centre and business park. As Premier Peter Beattie announced a few months ago, the department is working with the CSIRO on a proposal for the organisation's Forestry Division to be relocated at Cooroy.

The CHAIR: The time from questions from government members has expired.

Mr HORAN: Minister, I refer to question on notice No. 6. I again thank the department for the comprehensive answer—37 pages of conferences held throughout the state. I refer, first of all, to page 2. Can you tell us what was the preparation of the balance scorecard for the division that cost \$16,061 at the Chifley at Lennons? Secondly, can you tell us about the cultural awareness training programs for retail workshops held at Port Douglas and Cairns that cost \$29,565? Is your department now responsible for cultural awareness and taken over from ATSIC and the Department of Families?

Mr BARTON: No. Let me just look for this. The first one you asked about I think was item 42. Is that right? The Chifley at Lennons? You just have to bear with me for a minute, Mike.

Mr HORAN: Page 2 and page 12.

Mr BARTON: It is what?

Mr HORAN: Page 2 is at the Chifley. It is \$16,000 for preparation of the balance scorecard.

Mr BARTON: Chifley at Lennons. This is preparation for the balance scorecard for the division. Yes, a two-day workshop was held on 15 and 16 May 2003. It was certainly held at the Chifley at Lennons in the Queen Street Mall. It was attended by 37 divisional staff, one person from the office of the Deputy Director-General of Development and Infrastructure, three people from the Development and Infrastructure business support unit on day 1 and one person from the business support unit on day 2 and a facilitator. The purpose was to prepare a balance scorecard and business plan for the division as requested by the director-general.

The costs incurred, which are GST inclusive, were as follows. For venue hire and catering the total costs were \$3,741, which equates to \$89.07 per head for a two-day event. Lunch, morning tea and afternoon tea was provided. I stress that no alcohol was provided as part of that catering. An amount of \$6,820 was provided for a workshop facilitator. There were costs for using an external facilitator by the name of Mr Peter Mathews of Arena Organisational Consultants Pty Ltd for the two days, including pre-planning, et cetera—I can break that down further, but I will not bore you with the details—and there was \$5,500 for the preparation of a client survey and report preparation to provide input to the business planning. Mr Peter Mathews from Arena Organisational Consultants was engaged to conduct a survey of 15 clients of the Major Project Facilities Division. They were mostly external to government but included some state government and local government agencies. This material was presented early on day 1 of the workshop. Three hard copies of the report had also been provided. Arena Organisational Consultants Pty Ltd was engaged under a contract in accordance with departmental procedures.

Let me stress: that is clearly about making sure that we provide the maximum amount of support and training to the key officers of our various divisions. I have given you, as I have said, most extensive detail. Most of those courses are business courses predominantly for small business, run through our state development centres. But some of them, like this one, are clearly about providing the skills base and keeping the skills base of our key people right up to speed.

Mr HORAN: I will put the second part of that question on notice.

Mr BARTON: No, you will not. If you want to ask me a question, you ask me the question and I will answer it.

Mr HORAN: Your time is up.

Mr BARTON: You are not entitled to put it on notice. If you want to ask it, you ask it.

Mr HORAN: I said that I am quite happy to put it on notice, as most ministers are happy to do.

Mr BARTON: Well, I am happy to answer it if you want it answered. If you want it answered, you will ask it now.

Mr HORAN: I have one more question left.

The CHAIR: You can ask that question and ask an additional question as well.

Mr HORAN: Thankyou. The chair—

Mr BARTON: What was the second one?

Mr HORAN: The second one was the \$29,565 spent at Port Douglas and Cairns for cultural awareness training. Has your department taken over cultural awareness training from other departments?

Mr BARTON: When we talk about culture, let us put this into context. This is about giving support to businesses in Cairns. I mentioned this in my answer to a question from another member of the committee. In late 2001 Australian Airlines decided to hub its new business out of Cairns. In January 2002 my department commenced work on an action plan to assist the Cairns business community, particularly the small business community, to make the most of the opportunities presented by Australian Airlines. I could read all of this, but let me tell you the important part. Cairns has typically been a city where most of the tourists who have come in, apart from Aussies like us, have been Japanese. The hubbing of Australian Airlines out of Cairns was designed to bring flights in from a range of other centres. It was to bring people in from China, Korea and Taiwan. I think ultimately they will go to other centres as well. I used to hear this not just while I was in this portfolio but in previous portfolios. At one stage when I was the Environment Minister I had responsibility for the ecotourism policy. People used to say, 'If you come to Cairns, you stay in a Japanese owned hotel, you shop at a Japanese owned duty free store and you go on tours with companies owned by the Japanese.' All of the local businesses were saying, 'We miss out. It is very hard to get a piece of the action.' We were delivering workshops for them. In particular, 16 cultural workshops were conducted for small business owners and operators which attracted 188 attendees. That was all about giving them the key skills on the cultural differences of dealing with large numbers of tourists from nations they were not used to dealing with in the past. It was a strategy that we put into place. I took decisions in conjunction with the director-general to divert other resources within the department to this, because it was all about marketing Cairns to get the existing small business sector there the biggest piece of the action possible. I was also greatly assisted by the member for Cairns, Desley Boyle, who chaired a subcommittee up there on my behalf to work with the small business sector. Yes, that looks like a significant amount of funds, and I guess it is. But that was for a range of courses.

There was a one-off grant of \$20,000 to develop enterprise education uptake to increase opportunities for school students. That was part of a whole \$170,000 strategy aimed at giving Cairns small businesses the best opportunity to get market share from all of those new tourists coming in as part of Australian Airlines' new development.

Mr HORAN: Minister, can you provide this committee with a list and the number of major projects that have been with your department for more than six months and have not started?

Mr BARTON: That is really a question on notice-type question. You had the opportunity to ask questions before this hearing. But let us have a good look at what you mean by 'projects that have not started'. We have a large number of projects—someone might look for a brief on just which ones we have—on the books at the moment. You mentioned the well-known problems with AMC. The major proponent that has announced recently that it will not proceed at this point in time is LG Chemicals. LG Chemicals came out of a memorandum of understanding signed by the Premier in Korea several years ago. Last year I visited Korea for further discussions. As a result of that a vice president was here. But in the study period for that project the Australian dollar has appreciated by some 31 per cent. We have also seen the business environment worldwide—in effect the place where they need to market the product that comes out of that plant—deteriorate badly as well. They are continuing to talk to us, but they have said the business case no longer stacks up as it did appear to stack up several years ago when they first started that joint evaluation with us.

Others that are clearly being worked through now include Swanbank paper mill, Nilotica and Ren Shu prickly acacia projects, Selwyn mine, Burnett coal, Aldoga access road and the Aldoga sewerage plant. We are working through with BHP Billiton, and have been for the entire two and a bit years that I have been in this portfolio, a billion-dollar expansion of Queensland Nickel. It hopes to make a final decision on that by the end of this year. We have been working with Boyne smelters on a billion-dollar expansion of the Boyne aluminium smelter. It has deferred that project for the time being, although it has put in five new cells and a large number of new rectifiers. We are working with QAL on a possible billion-dollar expansion of the QAL project. It is still evaluating

that project and the partners need to make a decision. But it might get a bit messed up now because of the attempted takeover by one of the partners in QAL, Alcan, or Pechiney.

What are the other big ones out there? Earlier you mentioned the PNG gas pipeline. I visited New Guinea late last year to attempt to facilitate that. I took two of the potential major customers with me. We visited the highlands and we had discussions with government ministers. It was looking very positive several months ago. But then when the Nabalco at Gove owned by Alcan signed up the Timor Sea gas that stopped them from proceeding to feed, which is the final front-end engineering design study that they need to move. Can I have a few more minutes?

The CHAIR: We are in government members' time so go ahead.

Mr BARTON: We were very hopeful that we might have been able to proceed to Front End Engineering and Design—FEED. Subsequent to that, late last week we saw announcements by Energex and also Comalco that they have signed up for a major uptake of gas from the PNG gas pipeline. I have always said—constantly said—that we need that project to be commercially viable for the major parties, which now are Mobil-Exxon and Oil Search. But we have major projects such as the Brisbane cruise terminal going through its final approvals. We have the 767 facility under construction. We have the joint Virgin-Boeing \$85 million flight safety training centre under construction. When people say that we are losing things, they are losing sight of just how many new projects there are. The DG has just reminded me that several weeks ago we had a major projects conference in Brisbane attended by 850 people wanting to learn about the major projects. We will give you the documentation from that day, if you like, because you will find it very enlightening.

The CHAIR: The time allocated for the consideration of the estimates of expenditure for the portfolio of the Minister for State Development has now expired. Before I invite you to make any concluding comments, I would like to thank you, your director-general and your departmental officers for their attendance and assistance this evening. I know they have put in a lot of hard work for the hearing. On behalf of the committee, I thank you. I also thank all members of Estimates Committee A for their cooperation. On behalf of the committee, I would like to thank the Hansard staff for their hard work in ensuring that the proceedings of this public hearing are available on the parliament's web site within approximately two hours. I also thank the time keepers, the parliamentary attendants and the catering staff who have supported the committee so well during today. On behalf of the entire committee, I thank our research director, Ms Deborah Jeffrey, for her assistance during the estimates process. I know I speak also on behalf of the deputy chair. I thank also the non-government members for the assistance and cooperation in the preparation and examination of today's estimates hearing. Minister, would you like to make any concluding statements?

Mr BARTON: I would like to make a few comments. Could I thank you and your committee—all of your committee, not just the government members of the committee but also the opposition members of the committee—for the way they have conducted themselves. We have sought to give the maximum amount of information, both in terms of the questions on notice before the hearing and here today. This is a process that I believe in. I chaired the first ever committee of budget estimates A—the first ever budget estimates committee in this parliament. From this point I have always believed that it is a very good process that makes sure that the information is provided. I thank you for the way that you have conducted yourselves and for the support that you have given to my staff also in preparing this.

I thank Hansard and the other people who have been involved. I also want to put on record the great effort that has been put in by my director-general, the deputy directors-general, the assistant director-general, the executive directors-general and right down, and in particular by my cabinet liaison officer. Putting this amount of material together is a huge effort for a department when you are a busy department, as I guess every department is. But we have had a particularly busy time, and this is in addition to our normal work. Hopefully, it has allowed us to provide the information that the committee is seeking and we look forward to the outcome of your deliberations when the parliament next meets.

The CHAIR: Following the committee's consideration of the matters referred to it by the parliament on 6 June 2003, I now declare this public hearing closed.

The committee adjourned at 6.25 p.m.