



Estimates Committee A 2007

Report to the Legislative Assembly

Introduction

On 23 May 2007, the Legislative Assembly, referred to Estimates Committee A the proposed expenditure in the *Appropriation Bill 2007* for the following portfolios for examination and report:

- The Premier and Minister for Trade;
- The Deputy Premier, Treasurer and Minister for Infrastructure; and
- The Minister for Public Works, Housing and Information and Communication Technology.

The committee questioned the Ministers about their portfolio budgets at a public hearing at Parliament House on 10 July 2007. This was in addition to written questions put to the Ministers prior to the hearing in accordance with the Standing Orders. A transcript of the hearing is available from the Parliament's website at: <http://www.parliament.qld.gov.au/Hansard/>.

This report summarises the estimates referred to the committee and highlights some of the issues the committee examined. The report also makes a recommendation to the Legislative Assembly. Ministers' answers to the committee's pre-hearing questions, documents tabled during the hearing, answers provided by Ministers after the hearing and minutes of the committee's private meetings are included in a volume of additional information tabled with this report.

Premier and Minister for Trade

The Premier's portfolio comprises the following organisational units:

- Department of the Premier and Cabinet;
- Office of the Governor;
- Office of the Public Service Commissioner;
- Queensland Audit Office;
- Service Delivery and Performance Commission;

- Commission for Children and Young People and Child Guardian;
- South Bank Corporation; and
- Queensland Events Corporation Pty Ltd.

Department of the Premier and Cabinet

The Department of the Premier and Cabinet supports and advises the Premier in his roles as:

- Parliamentary Leader of the Government;
- Chair of the Cabinet; and
- Chief advisor to the Governor.

The following table compares the appropriations for the department for 2006-07 and 2007-08.

| Appropriations | 2006-07 \$'000 | 2007-08 \$'000 |
|----------------------|-------------------|-------------------|
| Departmental Outputs | 80,076 | 118,322 |
| Equity Adjustment | 13 | 56,046 |
| Administered Items | 90,616 | 110,167 |
| Vote Total | 170,705 | 284,535 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 1-5.

According to the Ministerial Portfolio Statement (MPS) for 2007-08, the International Trade Development output was transferred to the department from the Department of State Development, and the Multicultural Affairs Queensland output was transferred from the department to the Environmental Protection Authority. The following is a summary of the output costs for 2007-08.

| Output | 2007-08 \$'000 |
|---|-------------------|
| Policy Advice, Coordination and Cabinet Support | 31,792 |
| Government and Executive Services | 50,533 |
| International Trade Development | 33,867 |
| Legislative Drafting, Advisory and Information Services | 7,858 |
| Total | 124,050 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 1-6.

Priorities highlighted in the MPS for 2007-08 include:

- Managing land resources and Queensland's capital program;
- Realigning Commonwealth and State relations;
- Developing strong Indigenous communities;
- Building economic growth and job creation;
- Combating social exclusion and justice issues;
- Managing climate change, including developing policy options for alternative energy, emissions trading and clean coal technologies;
- Developing activities and events for Queensland's 150th Celebrations in 2009; and
- Planning Queensland's participation in the 2010 World Expo in Shanghai, China.

Estimated expenditure for 2007-08 is \$128.876 million.¹ Budgeted capital expenditure is \$2.729 million.²

Office of the Governor

The Office of the Governor provides personal, administrative and logistic support to the Governor as well as and manage the Government House Estate.

The following table compares the 2006-07 and 2007-08 appropriations for the Office.

| Appropriations | 2006-07 \$'000 | 2007-08 \$'000 |
|----------------------|-------------------|-------------------|
| Departmental Outputs | 4,226 | 4,443 |
| Equity Adjustment | - | - |
| Vote Total | 4,226 | 4,443 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p 2-3.

Estimated expenditure for 2007-08 is \$4.443 million.³ Budgeted capital expenditure is \$35,000.⁴

¹ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 1-40.

² Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 119.

³ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 2-10.

⁴ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 111.

Office of the Public Service Commissioner

The Office of the Public Service Commissioner (OPSC) is responsible for creating a forward-looking, performance-driven public service that delivers high quality results for Queenslanders. The following table compares the 2006-07 and 2007-08 appropriations for OPSC.

| Appropriations | 2006-07 \$'000 | 2007-08 \$'000 |
|----------------------|-------------------|-------------------|
| Departmental Outputs | 6,756 | 7,055 |
| Equity Adjustment | - | - |
| Vote Total | 6,756 | 7,055 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 3-4.

The OPSC appropriation includes funding for the Office of the Integrity Commissioner. Estimated expenditure for 2007-08 is \$12.480 million.⁵ Budgeted capital expenditure is \$14,000.⁶

Priorities highlighted in the MPS for 2007-08 include:

- Developing a culture and policy environment which increases the attractiveness of the Queensland Public Service as an employer;
- Responding to challenges presented by an ageing workforce and tight labour market; and
- Improving and promoting service delivery.

Queensland Audit Office

The Queensland Audit Office (QAO) is an independent statutory office established to assist the Auditor-General to audit the public accounts of more than 830 public sector entities. The following table compares the QAO's 2006-07 and 2007-08 appropriations.

⁵ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p 3-4.

⁶ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 113.

| Appropriations | 2006-07 \$'000 | 2007-08 \$'000 |
|----------------------|-------------------|-------------------|
| Departmental Outputs | 4,930 | 5,360 |
| Equity Adjustment | (92) | (92) |
| Vote Total | 4,838 | 5,268 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 4-4.

Estimated expenditure for 2007-08 is \$30.821 million.⁷ Budgeted capital expenditure is \$785,000.⁸

Priorities highlighted in the MPS for 2007-08 include:

- Continuing to assist and encourage all public sector entities to maintain a strong focus on accountability and governance principles;
- Developing enhanced quality assurance;
- Undertaking an expanded program of performance management audits utilising an extended mandate which enables the Auditor-General to assess the relevance, appropriateness and fairness of performance measures being utilised; and
- Developing staff capability and continuing to invest in graduate recruitment and development programs.

Service Delivery and Performance Commission

The Service Delivery and Performance Commission (SDPC) is an independent statutory body responsible for reviewing public sector agencies to identify potential cost savings, waste or inefficiencies, and to assess how well government services are meeting needs within the community. Estimated expenditure for 2007-08 is \$3.438 million.⁹

The MPS indicates the SDPC will complete eight review projects during 2007-08.

Commission for Children and Young People and Child Guardian

The Commission for Children and Young People and Child Guardian (CCYPCG) is an

independent statutory body that promotes and protects the rights, interests and wellbeing of children and young people in Queensland. The Child Guardian oversees services for, and decisions about, children in the child safety system. The estimated expenditure for CCYPCG for 2007-08 is \$36.341 million.¹⁰ Budgeted capital expenditure is \$150,000.¹¹

Priorities highlighted in the MPS for 2007-08 include:

- Strengthening the oversight of the child safety and juvenile justice systems and services for vulnerable children;
- Continuing to advocate for children and highlight the importance of integrated prevention and early intervention services; and
- Continuing to promote safe environments for children where risks are identified and managed.

Queensland Events Corporation Pty Ltd

The Queensland Events Corporation (QEC) delivers two non-departmental outputs: Major Events Securement and Support, and the Queensland Events Regional Development Program. Estimated expenditure by QEC for 2007-08 is \$12.130 million.¹²

Priorities highlighted in the MPS for 2007-08 include:

- Staging the inaugural Asia-Pacific Screen Awards;
- Positioning the Gold Coast as the hub of film and television events in Australia; and
- Implementing recommendations from a review of the Regional Development Program.

⁷ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 4-11.

⁸ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 129.

⁹ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 5-6.

¹⁰ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 6-7.

¹¹ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 119.

¹² Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 7-8.

South Bank Corporation

The South Bank Corporation is responsible for developing, managing and promoting the South Bank leisure, business and residential precinct. It also owns and operates the Brisbane Convention and Exhibition Centre (BCEC).

Estimated expenditure for 2007-08 is \$69.202 million.¹³ Budgeted capital expenditure is \$11.496 million.¹⁴

Priorities highlighted in the MPS for 2007-08 include:

- Working with a range of stakeholders to further implement water recycling projects;
- Developing design documentation for the proposed expansion of the BCEC; and
- Seeking expressions of interest from developers for the redevelopment of the boardwalk.

Issues raised at the public hearing

Issues the committee raised with the Premier and Minister for Trade at the public hearing on 10 July include:

- Policies, guidelines and level of expenditure regarding the employment of consultants and contractors by the Office of the Public Service Commissioner;
- Challenges facing Queensland regarding the Workforce Sustainability Strategy;
- Commission for Children and Young People and Child Guardian risk management workshops;
- Whole-of-Government Graduate Policy Officer Program;
- Role of the Commission for Children and Young People and Child Guardian in protecting children in regional and remote Queensland;
- Performance Management Systems Audits conducted by the Queensland Audit Office;

- Release of Sir Laurence Street's report regarding a Death in Custody on Palm Island;
- Role of the Integrity Commissioner, including the number of referrals to the Integrity Commissioner in the past 12 months and the release of documents to the public;
- Role of the Chief Executive Officer, Whole-of-Government Projects,
- Recruitment practices in the appointment of Mr Steve Bishop to Executive Director;
- Activities to promote awareness of the Office of the Integrity Commissioner;
- Recognition and rewards for public servants who create intellectual property that is successfully commercialised;
- Initiatives by the Commission for Children and Young People and Child Guardian to engage with children and young people;
- Queensland Audit Office's benchmarking with other audit offices;
- Outcomes of collaboration by the Commission for Children and Young People and Child Guardian with other agencies in Queensland and Australia;
- Current investment by the Government in ZeroGen (clean coal technology) shares and plans for further investment;
- ZeroGen's executive relationship with Government;
- The Premier's role as Chair of the council assessing tenders for the provision of clean coal technology;
- Government's initiatives to manage climate change;
- Latest developments regarding clean coal technology;
- Northern Economic Triangle Development;
- Achievements of the new Future Directions Strategy Division of the Department of Premier and Cabinet;
- Queensland's 150th Celebrations;
- Funding and role of the State Crisis Centre;
- Departmental advertising;
- Accounting in the Trade portfolio;
- Trade mission to Africa;

¹³ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Premier and Minister for Trade, p. 8-6.

¹⁴ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 119.

- Interstate water trading;
- Future events planned by the Queensland Event Corporation, including the Queensland Events Regional Development Program;
- Government's export strategy;
- Capacity building initiatives in international business development; and
- Statewide Infrastructure and Services Plan.

Deputy Premier, Treasurer and Minister for State Development, Trade and Innovation

The Deputy Premier's portfolio comprises the following organisational units:

- Treasury Department;
- CorpTech Shared Service Agency;
- Motor Accident Insurance Administration;
- Queensland Future Growth Corporation;
- Department of Infrastructure;
- Property Services Group; and
- Queensland Water Commission.

Treasury Department

The Treasury Department provides policy analysis and advice, and strategic and financial services to assist Government in achieving sustainable economic growth and strong fiscal performance for Queensland.

The following table compares the appropriation for the department for 2006-07 and 2007-08.

| Appropriations | 2006-07 \$'000 | 2007-08 \$'000 |
|----------------------|-------------------|-------------------|
| Departmental Outputs | 103,290 | 113,245 |
| Equity Adjustment | 3,125 | (15,539) |
| Administered Items | 597,193 | 3,164,823 |
| Vote Total | 703,608 | 3,262,529 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure, p. 1-5.

The following table summarises the estimated output costs for 2007-08.

| Output | 2006-07 Estimate \$'000 |
|--|-------------------------------|
| Financial and Economic Policy | 34,055 |
| GOC Performance and Governance | 5,667 |
| Economic and Statistical Research | 14,574 |
| Taxation | 57,500 |
| Gambling | 35,028 |
| Departmental | 146,824 |
| Other | 12,884 |
| Reconciliation adjustment to the Income statement | (7,518) |
| Total | 152,190 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure, p. 1-7.

The total vote for the department for 2007-08, including administered items, is \$3,262,529 million. Capital expenditure budgeted for the department for 2007-08 is \$79.657 million.¹⁵

Priorities in the MPS for 2007-08 include:

- Working with the Queensland Water Commission to develop and implement institutional arrangements for the urban water supply in South East Queensland (SEQ);
- Implementing improved governance arrangements following amendments to the *Government Owned Corporations Act 1993*;
- Conducting economic research on productivity in Queensland;
- Reducing mortgage duty by 50 per cent from 1 January 2008;
- Completing a review of the Queensland Responsible Gambling Strategy;
- Moving the administrative arrangements of QSuper to a subsidiary of the QSuper Board of Trustees to support the Fund's regulation under Commonwealth legislation.

¹⁵ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 151.

CorpTech Shared Service Initiative

The Shared Service Initiative is a whole-of-government approach to corporate services delivery. The initiative joins agencies together to share corporate services and resources through shared service providers.

Estimated expenditure by the Shared Service Agency in 2007-08 is \$251.314 million.¹⁶ Budgeted capital expenditure is \$3.961 million.¹⁷

CorpTech provides information and communication technology (ICT) applications, solutions and infrastructure and manages systems including finance, human resources, facilities, document and records and the service desk for shared service providers.

Estimated expenditure by CorpTech in 2007-08 is \$110.937 million.¹⁸ Budgeted capital expenditure is \$57.926 million.¹⁹

Motor Accident Insurance Administration

This non-departmental output is delivered by the Motor Accident Insurance Commission (MAIC) and the Nominal Defendant. These statutory bodies provide a framework for determining premiums and levies and meet the cost of claims involving unidentified and uninsured motor vehicles, as well as claims against insolvent compulsory third party insurers.

Estimated expenditure by the MAIC in 2007-08 is \$9.747 million²⁰ and \$56.602 million by the Nominal Defendant.²¹

Queensland Future Growth Corporation

This non-departmental output administers Queensland's Future Growth Fund which funds initiatives that benefit Queensland's future economy including water supply infrastructure and research and development into technologies to mitigate the effects of climate change.

Estimated expenditure by the Queensland Future Growth Corporation in 2007-08 is \$2.350 million.²²

Department of Infrastructure

The Department of Infrastructure was created on 15 January 2007. Its mission is to take a lead role in the planning and coordination of major infrastructure projects that tackle Queensland's population growth and changing demographics, and support economic growth and the mining boom in Queensland.

The following table compares the appropriation for the department for 2006-07 and 2007-08.

| Appropriations | 2006-07 \$'000 | 2007-08 \$'000 |
|----------------------|-------------------|-------------------|
| Departmental Outputs | 36,078 | 49,784 |
| Equity Adjustment | 100,750 | (133,816) |
| Administered Items | 5,465 | 16,619 |
| Vote Total | 142,293 | 67,413 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure, p. 4-6.

The following is a summary of the estimated output costs for 2007-08.

| Output | 2006-07 Estimate \$'000 |
|--|-------------------------------|
| Infrastructure and Project Facilitation | 46,744 |
| Urban Management for South East Queensland | 11,023 |
| Total | 57,767 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure, p. 4-7.

The 2007-08 capital expenditure budget for Infrastructure including Property Services Group, Water Infrastructure Projects and Airport Link, is \$2.553 billion.²³

¹⁶ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure, p. 1-62.

¹⁷ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 151.

¹⁸ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure, p. 1-54.

¹⁹ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 150.

²⁰ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure, p. 2-5.

²¹ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure, p. 2-9.

²² Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure, p. 3-5.

²³ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 73.

Priorities highlighted in the MPS for 2007-08 include:

- Continue the construction of critical water projects, including the Western Corridor Recycled Water Scheme, the Southern Regional Water Pipeline, the Gold Coast Desalination Plant and the Cedar Grove Weir;
- Develop draft Environmental Impact Studies and undertake preconstruction activities for the Traveston Crossing and Wyaralong dams;
- Advance the Northern and Eastern Interconnector pipeline projects;
- Call for tenders for the Airport Link toll road;
- Negotiate with the preferred developer for the North Bank Development Project;
- Complete a 30 year Coal Infrastructure Strategic Plan;
- Undertake a competitive process for the Gold Coast Marine Development Project;
- Facilitate approvals for the Townsville Ocean Terminal Project;
- Appoint a preferred developer for the Urangan Boat Harbour Project;
- Plan and implement the Transit Oriented Development Program;
- Progress work on the Rural Futures Strategy;
- Continue to work with local governments to assist in developing their Local Growth Management Strategies;
- Progress a new SEQ Regional Landscape Strategy and release the Draft SEQ Regional Outdoor Recreation Strategy;
- Progress outcomes of the proposed Queensland Housing Affordability Strategy.

Property Services Group

The Property Services Group is a commercialised business unit of the Department of Infrastructure. It provides funding for both property-related and other industry development functions aimed at encouraging the location and expansion of business and industry in Queensland.

Estimated expenditure for the group for 2007-08 is \$44.274 million.²⁴ Budgeted capital expenditure is \$88.798 million.²⁵

Queensland Water Commission

The Queensland Water Commission is an independent statutory authority established in June 2006 to provide advice on water planning and related matters and work to secure a sustainable water supply and manage demand in SEQ.

Estimated expenditure for 2007-08 is \$15.958 million.²⁶

Issues raised at the public hearing

Issues the committee canvassed with the Deputy Premier, Treasurer and Minister for Infrastructure at the public hearing on 10 July include:

- The Queensland Treasury Roadshow;
- Predicted movement in future interest rates;
- Repayment of debts, including through Government Owned Corporations;
- A review by the Office of State Revenue of petrol pricing and the Fuel Subsidy Scheme;
- The effect of land tax increases on rental affordability;
- Changes to mortgage duty;
- Grants provided by the Gambling Community Benefit Fund and the Casino Community Benefit Fund;
- The sale of Allgas;
- Stamp duty increases for new and used motor vehicles;
- Financial reporting of employee entitlements and superannuation, including interest earnings on investments;
- Queensland's future share of national GST revenue;

²⁴ *Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure*, p. 4-44.

²⁵ *Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3*, p. 76.

²⁶ *Queensland State Budget 2007-08, Ministerial Portfolio Statement, Deputy Premier, Treasurer and Minister for Infrastructure*, p. 5-8.

- Sale of the Enertrade windfarm and gas assets;
- Western corridor water recycling project;
- Northern interconnector water grid project;
- Vulnerability assessment and emergency plans for drinking water facilities;
- Energy costs of the Wivenhoe Dam purified recycled water scheme;
- Media promotion and public relations activities of the Queensland Water Commission;
- Water demand management and supply contingency measures;
- The Traveston Crossing Dam;
- SEQ Infrastructure Plan and Program;
- Government spending on earthworks for dam projects;
- Tugun desalination plant; and
- Development of the Wyaralong Dam.

Minister for Public Works, Housing and Information and Communication Technology

The Minister's portfolio comprises the following organisational units:

- Department of Public Works;
- Department of Housing;
- Queensland Building Services Authority; and
- Residential Tenancies Authority.

Department of Public Works

The Department of Public Works is the Government's lead agency in the design, construction, fit-out and maintenance of government buildings, information and communication technology, procurement and public sector record keeping. Most services are provided through the department's six commercialised business units:

- Project Services;
- QBuild;
- CITEC;
- QFleet;
- Sales and Distribution Services (SDS); and
- Goprint.

The following table compares the appropriations for the department for 2006-07 and 2007-08.

| Appropriations | 2006-07 \$'000 | 2007-08 \$'000 |
|----------------------|-------------------|-------------------|
| Departmental outputs | 59,501 | 93,762 |
| Equity adjustment | 168,573 | 187,237 |
| Administered Items | 19,352 | 45,534 |
| Vote Total | 247,426 | 326,533 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 1-9.

Capital expenditure budgeted by the department and the commercialised business units for 2007-08 is \$404.833 million.²⁷

The following is a summary of the estimated output costs for 2007-08.

| Output | 2007-08 Estimate \$'000 |
|--|-------------------------------|
| Building Procurement and Asset Management | 366,371 |
| Procurement Services | 11,883 |
| e-Government and Information and Communication Technology (ICT) Strategies | 28,296 |
| Public Records Management and Advisory Services | 13,110 |
| Total | 419,660 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 1-11.

Priorities highlighted in the MPS for 2007-08 include:

- Improving the environmental aspect of government buildings with emphasis on reducing water and energy consumption;
- Delivering the Asbestos Management Program and the Asbestos Roof Replacement Program;
- Developing disaster mitigation guidelines and making buildings more resilient to disaster events, including terrorism;
- Delivering the site infrastructure for the Boggo Road Precinct Redevelopment;
- Progressing the design and construction of the new Tank Street Bridge;

²⁷ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 128.

- Completing Skilled Park at Robina;
- Completing Stage 2 of construction of the Gold Coast Convention and Exhibition Centre;
- Completing the Rockhampton Riverbank Redevelopment;
- Delivering capital works projects on government buildings, and developing Brisbane and regional office accommodation;
- Implementing whole-of-government arrangements arising out of reviews of significant areas of common expenditure;
- Implementing travel management systems in 18 core departments;
- Develop e-procurement solutions for the sector;
- Monitoring strategy development in telecommunication services, including securing Commonwealth funding to improve broadband services throughout regional and remote Queensland;
- Continuing the ICT Career-Graduate Development Program; and
- Continuing planning for Queensland's inaugural Digital Archive;

Q-Build

Q-Build is a commercialised business unit responsible for the delivery of facilities management, maintenance and construction services to government agencies. Estimated expenditure for 2007-08 is \$674.414 million.²⁸ Budgeted capital expenditure is \$17.132 million.²⁹

Project Services

Project Services is a multi-disciplinary building and property consultancy assisting to manage the delivery of capital works projects in Queensland. Estimated expenditure for 2007-08

is \$117.615 million.³⁰ Budgeted capital expenditure is \$7.040 million.³¹

QFleet

Q-Build is a commercialised business unit providing fleet leasing, management and advisory services and vehicle maintenance and repairs. Estimated expenditure for 2007-08 is \$123.395 million.³² Budgeted capital expenditure is \$134.246 million.³³

CITEC

CITEC is the primary ICT service provider for the Queensland Government.

Estimated expenditure for 2007-08 is \$144.383 million.³⁴ Budgeted capital expenditure for CITEC is \$9 million.³⁵

Goprint

Goprint is a commercialised business unit of the Department of Public Works with responsibility for printing and distributing Government publications. Estimated expenditure for 2007-08 is \$17.6 million.³⁶

SDS

SDS operates an online retail and distribution business for office, education and furniture products as well as electronic and printed publications, and provides warehousing services to agencies. Estimated expenditure for 2007-08 is \$58.975 million.³⁷ Budgeted capital expenditure is \$250,000.³⁸

²⁸ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 1-57.

²⁹ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 127.

³⁰ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 1-66.

³¹ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 127.

³² Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 1-73.

³³ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 127.

³⁴ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 1-80.

³⁵ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 128.

³⁶ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 1-87.

³⁷ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 1-94.

³⁸ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 128.

Department of Housing

The Department of Housing provides various forms of housing assistance to and develops strategies aimed at improving people's access to safe, secure, affordable and appropriate housing. The following table compares the department's appropriations for 2006-07 and 2007-08.

| | 2006-07 Estimate \$'000 | 2007-08 Estimate \$'000 |
|----------------------|-------------------------------|-------------------------------|
| Departmental Outputs | 127,804 | 122,237 |
| Equity Adjustment | 77,805 | 164,635 |
| Total | 205,609 | 286,872 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 2-7.

Capital expenditure budgeted by the department for 2007-08 is \$487.317 million.³⁹

The following is a summary of the estimated output costs for 2007-08.

| Departmental Output | 2007-08 Estimate \$'000 |
|---|-------------------------------|
| Aboriginal and Torres Strait Islander Housing | 127,698 |
| Public Rental Housing | 386,134 |
| Community Housing | 66,287 |
| Private Housing | 88,811 |
| Home Purchase Assistance | 4,794 |
| Community Renewal | 20,096 |
| Total | 675,820 |

Source: Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 2-8.

Priorities highlighted in the MPS for 2007-08 include:

- Expanding and improving long-term social housing under the Aboriginal and Torres Strait Islander Housing Rental Program and through public rental housing;
- Undertaking public rental housing maintenance;
Undertaking new construction, housing maintenance and upgrades in Indigenous communities;

- Implementing an assets test for eligibility for social housing;
- Negotiating a new Indigenous Housing and Infrastructure Bilateral Agreement to begin in 2008-09;
- Expanding the supply of crisis accommodation;
- Continuing brokerage services for homeless people;
- Modifying housing to accommodate spinal injury patients discharged from the Princess Alexandra Hospital;
- Providing accommodation for Indigenous offenders who have alcohol problems or are in the child safety system;
- Implementing the Rent Start program to assist clients to transition to the private rental market;
- Providing loans and mortgage relief;
- Providing Special Assistance Grants to Indigenous households, or households with a family member who has a disability.

Queensland Building Services Authority

The Queensland Building Service Authority provides a licensing regime and regulatory function for the building industry. Estimated expenditure for 2007-08 is \$48.645 million.⁴⁰

Residential Tenancies Authority

The authority is a non-departmental output that regulates general tenancies, movable dwellings, boarding houses, supported accommodation, aged rental accommodation and independently operated student accommodation. The authority is self funded through income earned from the investment of rental bonds. The estimated expenditure for 2007-08 \$24.763 million.⁴¹

³⁹ Queensland State Budget 2007-08, Capital Statement – Budget Paper No.3, p. 72.

⁴⁰ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 3-6.

⁴¹ Queensland State Budget 2007-08, Ministerial Portfolio Statement, Minister for Public Works, Housing and Information and Communication Technology, p. 4-7.

Issues raised at the public hearing

Issues the committee canvassed with the Minister for Public Works, Housing and Information and Communication Technology at the public hearing on 10 July include:

- Financial performance of Goprint;
- Compulsory installation of smoke alarms in government housing;
- Asbestos management;
- Strategies to reduce water consumption in government buildings;
- Opening of the Millennium Arts Buildings
- The Tanks Street Bridge;
- Initiatives to address skill shortages within the construction industry;
- The use of information and communication technology within the Queensland Government;
- Public housing and waiting lists;
- Eco-friendly and water-saving products included in the construction of new public housing;
- Client satisfaction regarding public housing;
- The sale of public and private housing and land;
- The Commonwealth-State Housing Agreement;
- Reforms to, and maintenance of, Indigenous housing in remote communities;
- Outcomes of a review of peak funding arrangements in the social housing sector; and
- Insurance claims directed to the Building Services Authority for faulty or incomplete construction work.

Recommendation

The committee recommends that the proposed expenditure, as detailed in the *Appropriation Bill 2007*, for the portfolios of: the Premier and Minister for Trade; the Deputy Premier, Treasurer and Minister for Infrastructure; and the Minister for Public Works, Housing and Information and Communication Technology be agreed to by the Legislative Assembly without amendment.

Rachel Nolan MP

Chair

August 2007

Committee Members

Ms Rachel Nolan MP

Member for Ipswich (Chair)

Mr Jeff Seeney MP

Member for Callide (Deputy Chair)

Dr Bruce Flegg MP, Member for Moggill

Mr Ray Stevens MP, Member for Robina

Ms Karen Struthers MP

Member for Algester

Mr Wayne Wendt MP

Member for Ipswich West

Mr Steve Wettenhall MP

Member for Barron River

Statement of Reservations

Mr Jeff Seeney MP

Leader of the Opposition
Shadow Minister for Trade

ESTIMATES COMMITTEE A

Ms Rachel Nolan MP
Chair
Estimates Committee A

Dear Ms Nolan

I refer to the draft report for Estimates Committee A and submit a statement of reservations on the report and some general comments on the process of Estimates Committees hearings.

The Estimates Committee hearings this year again highlights the significant weaknesses in this process as a mechanism for proper scrutiny of the expenditures of Government Departments and agencies. In particular, I express the following general reservations in relation to the Estimates Committee Process:

- The entire structure of the whole Estimates Committee process does not allow detailed analysis of the expenditures provided for in the Queensland Budget;
- There is simply not enough time provided to enable proper and detailed consideration of individual Ministerial Program Statements given the number of programs and expenditure. An entire day per portfolio would still not provide sufficient time given the breadth of some portfolios.
- The limited number of Questions on Notice allowed to be asked on each Ministerial Program Statement prevents the pursuit of important issues.
- Receiving responses to Questions on Notice less than 24 hours prior to the actual commencement of Committee hearings severely limits the capacity to further research the completeness and accuracy of answers provided.
- In addition to limited time provided for questions, the avoidance tactics of Ministers who reply to questions in such a way as to evade the issue being scrutinised was a consistent theme throughout the hearings. Despite numerous follow up questions, Ministers either avoided answering questions or simply read prepared briefing notes on subjects not relate to the issues raised in the questions.

- The structured nature of the Committee proceedings into blocks of questions with set times from Government and Non Government Members prevent Members being able to follow a line of questioning in a logical and consistent manner to finality.
- The inability of Estimates Committees to directly ask questions to Senior Public Service administrators.
- The pedantic nature of some Ministers in interpretation of standing orders to avoid scrutiny of the portfolio they represent.

Regarding the portfolios scrutinised by the Committee, the following reservations are raised:

Premier's portfolios and agencies:

Reporting of expenditure on contractors:

The Premier's failure to identify and advise the committee the amount spent on engaging contractors. Expenditure on consultants is reported on in annual reports and full time staff equivalents are reported on the MPS. Over 300 public relations and marketing contractors were engaged last financial year alone and there is no record of what they were engaged for and the amount spent.

Integrity Commission:

The Premier's failure to explain why he didn't seek the Integrity Commissioner's advice as to whether it was ethical to leak the Street Report to the media the day charges were laid against Chris Hurley, noting he sought the CMC's advice to the legality of leaking the report.

The Premier's failure to commit to making public the details of all advice provided by the Integrity Commissioner so benchmarks and standards can be set and referred to by others in considering matters of integrity.

Helen Ringrose:

The Premier's failure to explain why Ms Ringrose has not completed her only task of reviewing two pieces of legislation despite being remunerated at the CEO level.

Steve Bishop:

The Premier's failure to explain why his former media advisor, Steve Bishop was appointed to a senior executive position in his Department, without due process and adherence to standard public sector recruitment and selection practices. The Premier also failed to explain what skills and experience equipped Mr Bishop for this senior position.

Zero Gen:

The Premier's admission that the Zero Gen project would be unlikely to proceed beyond feasibility stage and his failure to explain why the Department of the Premier and Cabinet invested \$102M into the Zero Gen project despite the project having little support from the coal industry and better options being available.

State Crisis Centre:

The Premier's failure to explain the significant delays in expenditure on the Government's State Crisis Centre.

Trade Reporting:

The Premier's failure to explain why the estimated and actual targets in the Trade section of the MPS are exactly the same every year. The Premier also failed to explain how the figures were calculated and whether the figures were manipulated by the Department.

JEFF SEENEY MP
Leader of the Opposition

Statement of Reservations

ESTIMATES COMMITTEE A Treasury and Infrastructure

Ms Rachel Nolan
Chair
Estimates Committee A

Dear Ms Nolan

I have a number of concerns about the conduct of Estimates Committee A of which I am a member in my capacity as Shadow Minister for Treasury and Infrastructure.

These concerns relate to the lack of detail provided by the Deputy Premier and Treasurer in response to my questioning, by simply reading pre-prepared statements on the broad subject within a question.

In particular, I am concerned about the very limited time allotted to non-government questioning as well as with the apparent ease with which Ministers can avoid providing either appropriate or comprehensive answers.

I would like to place on record my thanks to the Committee chair, Ms Rachel Nolan MP as well as the committee staff for their professionalism throughout the entire process.

Treasury

Issue 1: Bond Yields

I raise particular concern about the Minister's apparent lack of understanding of bond yields through the estimates. In particular I refer the Committee to comments where the Minister initially stated that Bond Yields were, and I quote, "about six percent".

The Minister was later corrected by Treasury Officials that the rate was, in fact, 6.5 percent. It is very worrying that the Minister responsible for managing our State finances does not seem to have a thorough grasp on such a critical variable to the Queensland budget.

In my view, this example emphasises the need for major reform of the entire Estimates Committee process. It is essential that changes are made so as to allow departmental officials to be openly scrutinised by all members of the committee.

I also believe that more time, along with extra supplementary questions should be available to non-Government members of the committee.

I would also add that the interest rate sensitivity analysis provided was grossly uninformative and would not meet normal expectations for such information. My concern about the risk of bond yield increases on the State Government's debt portfolio is not mitigated.

Issue 2: GOC Borrowings

It is my firm view that the attempt to shut down questioning about public non-financial corporation sector borrowings is particularly alarming.

The borrowings of GOCs should not be beyond questioning within these sessions. I would formally suggest that the standing orders to which the Chairman referred, be amended so as to permit questioning during the estimates process. I believe that this is within the public interest to have an open and accountable scrutiny of every sector of public finances.

The accounts of this sector are published in State Budget Paper 2 and form the largest component of the State Government's debt portfolio. It should be noted that these accounts also form a large part of the Mid Year State Budget Review released in January each year.

Issue 3: Petrol Prices

The Minister's admission that motorists were only receiving 6.7 CPL to 6.9 CPL (compared to Melbourne & Sydney respectively) of the government's 8.3 CPL fuel subsidy was of great concern.

This equates to almost \$2 million of unpaid fuel subsidy that motorists are not receiving each and every week, or \$104 million annually.

Considering that Queensland taxpayers are paying over \$500 million dollars for the fuel subsidy, I believe that it is vitally important that action is taken to ensure motorists receive their full subsidy.

The Minister should immediately release the contents of the report undertaken by the Taskforce to which she referred to during the estimates process. Ms Bligh must act decisively to ensure taxpayers only pay for subsidies actually received.

Infrastructure

Issue 1: SEQ Water Grid

The response to my question on the two-way flow project the Minister lacked the necessary detail to convince me that adequate planning had been undertaken. The Minister's statement that the dependence of Sunshine Coast water supply in the medium-to-long term depends on Commonwealth Government approval for the Traveston Crossing Dam is simply not true.

There are a multitude of well established options to harvest water in this area without the need to build Traveston Dam.

Issue 2: Water Contingency Measures

The response to the question on vulnerability assessments was highly inadequate. The Minister's attempt to assure Queenslanders of the safety of adding recycled sewerage to drinking supplies is of great concern because she relies on history to deliver safety.

Relying on the past is not adequate when we are making such substantial changes to the future of our water supply. Never before has treated sewerage been pumped into Queensland's water supply. The lack of any detailed and comprehensive risk assessment makes the situation even greater cause for concern.

Issue 3: SEQIPP Reviews

I was concerned that the Department of Infrastructure outsourced their entire program management function. The Minister noted a two-year contract with Arup Consulting in the Peron Group.

Issue 4: Key Stakeholder Satisfaction Measures

Given the credence given to these measures in the MPS, the Minister should be better prepared for the hearing. I believe the Minister should have had ready access to information regarding processes and depersonalised stakeholder information. I requested the information and the Minister could not even explain how the 70 percent measure of satisfaction was determined.

Once again, I would like to thank the Committee Staff.

**Dr BRUCE FLEGG MP
Leader of the Liberal Party
Deputy Leader of the Queensland Coalition
Shadow Treasurer & Shadow Minister for Infrastructure**

SHADOW MINISTER FOR HOUSING AFFORDABILITY AND PUBLIC WORKS –
MR RAY STEVENS MP
STATEMENT OF RESERVATIONS – PUBLIC WORKS, HOUSING AND
INFORMATION AND COMMUNICATION TECHNOLOGY
ESTIMATES COMMITTEE A

I would like to place on record my observations of the Public Works, Housing and Information and Communication Technology Portfolio as part of Estimates Committee A for the year 2007

My main concerns explore a variety of areas within the portfolio and comments on a few issues will complete my statement of reservations. From the time the budget is handed down to the sitting of the Estimates Committees the length of time is very limited. This along with limited resources that are available to Shadow Ministers gives the Government a distinct protective cocoon in the process.

My first point I would like to make is regarding the Public Works Portfolio

Public Works

Asbestos flooring in schools was one of my initial questions as I believe this is of great concern to the health of school children and teachers across the State. It was a comfort to find out that the Director General said.....*that there are no schools out there with potentially hazardous asbestos..... there were 68 schools-I think that is the number-that had vinyl flooring which we regarded as being in poor condition. As at 30 June, all vinyl floors in the 68 schools have been removed or replaced.....*(Hansard p.63, 10 July 2007)

I do note though that it would be beneficial to release, and I ask the Minister to make public, the BEMIR system report that records asbestos at departmental sites throughout Queensland.

The re-evaluation of Queensland Government car fleet in the Departmental area of Q Fleet was answered to confirm that the Government completed their own re-evaluation of the car fleet. I strongly urge an independent body should be assigned for any future re-evaluations.

Go Print is a significant drain on the public purse and this became clear in this Estimates process that a \$3.934 million equity injection failed to realise a substantial profit for the Go Print organisation.

I would also like to make a point regarding the Gallery of Modern Art and my point is not of criticism of the project but of criticism of lack of forward thought by the Government in regards to the budget blow-out. Congratulations for having it open by Christmas 2006 but I am unsure why with the known sky rocketing costs associated with the building and construction sector that the Government did not predict and prepare for the extra costs involved.

Housing

Housing Affordability being the most important issue that the Department has to address in the immediate future seems not to receive the priority that other areas do. I urge the Minister to take charge of this crisis and realise that there are significant initiatives that he can implement to ease the burden on low income earners and young people wanting to get into the market.

One question that I asked was in regard to a comparison of public housing stock in Australia and the fact that Queensland is below the National average when it comes to public housing. Australia's National average is 520 units per 10,000, whereas Queensland is 339 units per 10,000 and the Gold Coast 245 units per 10,000. The Minister couldn't offer any solution to this and I urge him to seriously look at the how he can improve these figures for the thousands of people on the public housing waiting list. This means being more innovative with the funding that is currently allocated to his Department.

The Public Housing waiting list is increasing each year and with my question regarding the sell off of existing public housing stock I queried why you would sell off public housing dwellings when you have so many on the public housing waiting list as in some small way these dwellings would help ease the ever increasing public housing waiting list.

The issue regarding environmental strategies, eco friendly initiatives and water saving devices to be implemented into the promised construction of 750 new public housing dwellings for 2007/2008 was raised.

Timeliness for average wait times for assistance of new households assisted within three years have dramatically dropped from 82% in 2004/2005 to 60% in 2006/2007 and the estimate that the department predicts for 2007/2008 is 55%. This adds a greater burden to people waiting on the Public Housing waiting lists as each year the wait time is increasing.

A question that I put forward regarding the Building Services Authority looked at the issue that there is no insurance available by the BSA to protect home owners between the period when the builder goes broke and is unable to finish the job to when another builder is engaged to complete the job. This issue is in need of legislative changes.

The other issue I raised was that of water charges to tenants if there is a leak on the lessors' side of the council water meter. The Minister explained that this is a real problem with legislative changes proposed and he promised protection to tenants who are compromised in this manner from the Rental Tenancies Authority.

My final comment I would like to thank the Minister for his understanding of my first Estimates Committee process and commend him on his in-depth answers with only referring to notes and staff on a very few occasions.

Mr Ray Stevens MP
Shadow Minister For Housing Affordability and Public Works
State Member for Robina