



Estimates Committee A

2008

Report No. 2 to the Legislative Assembly

Introduction

On 1 May 2008, the Legislative Assembly referred to Estimates Committee A the proposed expenditure in the Appropriation Bill 2008 for the following portfolios for examination and report:

- The Premier;
- The Deputy Premier and Minister for Infrastructure and Planning; 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 15 July 2008. This was in addition to written questions the committee 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/view/committees/EC.asp>

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.

Portfolio of the Premier

The Premier's portfolio comprises the following organisational units:

- Department of the Premier and Cabinet;
- Office of the Governor;
- Public Service Commission;
- Queensland Audit Office;
- Commission for Children and Young People and Child Guardian;
- Family Responsibilities Commission;
- 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 her 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 2007-08 and 2008-09.

Appropriations	2007-08 \$'000	2008-09 \$'000
<i>Controlled Items</i>		
Departmental Outputs	118,322	109,275
Equity Adjustment	56,046	2,961
<i>Administered Items</i>	110,167	186,111
Vote	284,535	298,347

Source: Appropriation Bill 2008, p. 9.

The following is a summary of the output costs for 2008-09.

2008-09 Output Summary	\$'000
Policy Advice, Coordination and Cabinet Support	48,106
Government and Executive Services	59,330
Legislative Drafting, Advisory and Information Services	9,127
Total	116,563

Source: *State Budget 2008-09 Service Delivery Statements Book 1*, p. 1-8.

Priorities highlighted in the SDS for 2008-09 include:

- Coordination of the government's involvement in the Far North Queensland regional sitting of Parliament (Cairns 28 – 30 October 2008);
- Management of the appointment process for the 25th Governor of Queensland;
- Driving and facilitating the implementation of priorities and service delivery reforms across 21 remote Indigenous communities;

- Reviewing Queensland's government boards, committees and statutory authorities;
- Coordinating the delivery of Queensland's 150th Celebrations in 2009;
- Assisting the development of whole-of-government initiatives to manage urban congestion; and
- Coordination of the development of the government's position on a national emissions trading scheme.

Estimated expenditure for 2008-09 is \$119.765 million.¹ This includes \$7.046 million of capital expenditure.²

Office of the Governor

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

The following table compares the 2007-08 and 2008-09 appropriations for the Office of the Governor.

Appropriations	2007-08 \$'000	2008-09 \$'000
<i>Controlled Items</i>		
Departmental Outputs	4,443	4,934
Equity Adjustment	0	0
<i>Administered Items</i>	0	0
Vote	4,443	4,934

Source: Appropriation Bill 2008, p. 8.

Estimated expenditure for 2008-09 is \$4.934 million.³ This includes \$35,000 of capital expenditure.⁴

Public Service Commission

The Public Service Commission (PSC), an amalgamation of the Office of the Public Service Commissioner and the Service Delivery and Performance Commission, commenced operations on 1 July 2008. For reasons of economy and efficiency, funding for the Office of the Integrity Commissioner is included within the appropriation for the Public Service Commission.⁵

The following table compares the 2007-08 and 2008-09 appropriations for PSC.

Appropriations	2007-08 \$'000	2008-09 \$'000
<i>Controlled Items</i>		
Departmental Outputs	7,055	5,270
Equity Adjustment	-	-
<i>Administered Items</i>		
Vote	7,055	5,270

Source: Appropriation Bill 2008, p. 8.

Priorities highlighted in the SDS for 2008-09 include:

- Enhancing the Queensland public service's human resource management and development functions;
- Driving new approaches to recruitment and retention;
- Enhancing succession planning and the capacity to align resources behind government priorities; and
- Delivering focussed program reviews to increase efficiency and reduce expenditure.

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 2007-08 and 2008-09 appropriations.

Appropriations	2007-08 \$'000	2008-09 \$'000
<i>Controlled Items</i>		
Departmental Outputs	5,360	5,853
Equity Adjustment	(92)	(92)
<i>Administered Items</i>		
Vote	5,268	5,761

Source: Appropriation Bill 2008, p. 8.

Estimated expenditure for 2008-09 is \$34.417 million.⁶ Budgeted capital expenditure is \$415,000.⁷

Priorities highlighted in the SDS for 2008-09 include:

- Continuing to assist and encourage all public sector entities to maintain a strong focus on accountability and governance principles;
- A particular focus on new regional councils following the local government amalgamation process to ensure that necessary accountability systems are implemented;

¹ State Budget 2008-09 Service Delivery Statements Book 1, p. 1-18.

² State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 122.

³ Appropriation Bill 2008, p. 8.

⁴ State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 115.

⁵ State Budget 2008-09 Service Delivery Statements Book 1, p. 1-40.

⁶ State Budget 2008-09 Service Delivery Statements Book 1, p. 1-54.

⁷ State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 133.

- Assessing the impact of the changes to legislated financial reporting timeframes for departments and statutory bodies on auditees and on QAO audit processes and resourcing; and
- Implementation of an updated version of QAO's audit methodology software developed in-house.

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 \$41.390 million.⁸ Budgeted capital expenditure is \$3.167 million.⁹

Priorities highlighted in the SDS for 2008-09 include:

- Regular visits to children in alternative care and advocate for improved services as required;
- Strengthening of strategies for assisting children to inform the Commission's advocacy work; and
- Development of a new Employment Screening Services Database which will provide for a more efficient blue card application process.

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 2008-09 is \$15.124 million.¹⁰

Priorities highlighted in the SDS for 2008-09 include:

- The continued development of a diversified portfolio of investments to leverage the greatest tourism benefits possible for the State in conjunction with major partners such as Tourism Queensland; and
- Continued investment in the regional program to provide economic and social benefits from events to the regions giving a boost to local communities.

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 2008-09 is \$68.771 million.¹¹ Budgeted capital expenditure is \$90.798 million.¹²

Priorities highlighted in the SDS for 2008-09 include:

- Investment to support the corporation's stormwater harvesting project to reduce its reliance on purchased recycled water;
- Investment of \$130 million into the Brisbane Convention and Exhibition Centre expansion project; and
- Commencement of construction of the SouthPoint Redevelopment on the site of the Collins Place Heritage Building.

Issues raised at the public hearing

Issues the committee raised with the Premier at the public hearing on 15 July 2008 include:

- The role of the Commissioner for Children and Young People and Child Guardian in relation to the audit of the Department of Child Safety;
- The Department of Child Safety's compliance with Indigenous child placement procedures under the *Child Protection Act 1999*;
- Public service reforms including the creation of a new Public Service Commission;
- Salary arrangements for the Governor;
- The Commission of Children and Young People and issues surrounding employment screening since the introduction of blue cards;
- The Commission of Children and Young People and its role in protecting children and enhancing community safety;
- Initiatives of the Commission for Children and Young People and Child Guardian to engage with children and young people;
- Changes to the Queensland Audit Office as a result of local government amalgamations;
- The budget allocation for record keeping within the Department of Child Safety;
- The government's debt repayment strategies;
- The Mercer Report and the role and salary of the Premier's Chief of Staff;
- The maintenance of a website providing information about the former premier;
- The decentralisation of government accommodation;

⁸ *State Budget 2008-09 Service Delivery Statements Book 1*, p. 1-64.

⁹ *State Budget 2008-09 Capital Statement – Budget Paper No.3*, p. 122.

¹⁰ *State Budget 2008-09 Service Delivery Statements Book 1*, p. 1-77.

¹¹ *State Budget 2008-09 Service Delivery Statements Book 1*, p. 1-83.

¹² *State Budget 2008-09 Capital Statement – Budget Paper No.3*, p. 123.

- Whole-of-government coordination for policy advice on economic, environmental and social impact matters, particularly in relation to coal infrastructure projects;
- The role of regional sittings of the Legislative Assembly;
- The Smart State Strategy and the role of the government in supporting stem cell research;
- The state's position on a national emissions trading scheme and how it will affect the state;
- Overview of Cape York welfare reform trials;
- Additional flying hours for the air wing in relation to organ donation and retrieval, and search and rescue functions;
- The government's initiatives to manage climate change;
- Support provided to Indigenous communities to tackle drug and alcohol related violence and abuse;
- Infrastructure planning in Far North Queensland;
- Infrastructure projects on the Gold Coast;
- The Northern Economic Triangle development;
- An update on Dr David Solomon's report in relation to the review of the state's freedom of information legislation;
- The new coal loading facilities at Port Alma and proposed at Port Clinton;
- The Far North Queensland Regional Plan;
- The Eastern Busway Project;
- Outcomes of a review of the preventative detention of serious sexual and violent offenders;
- The government's initiatives in relation to urban congestion;
- Queensland Events Corporation's investment in the Queensland Events Regional Development Program; and
- The government's coal infrastructure plan.

Portfolio of the Deputy Premier and Minister for Infrastructure and Planning

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

- Department of Infrastructure and Planning;
- Property Services Group;
- Queensland Water Commission; and
- Urban Land Development Authority.

Department of Infrastructure and Planning

The Department of Infrastructure and Planning provides infrastructure planning, coordination and delivery for the sustainable development of Queensland and contributes to the government outcomes of building Queensland's economy, strengthening real communities and protecting Queensland's environment.¹³ The department was established on 1 October 2007 as a consequence of machinery-of-government changes, and provides support to the Coordinator-General.

The following table compares the appropriations for the department for 2007-08 and 2008-09.

Appropriations	2007-08 \$'000	2008-09 \$'000
<i>Controlled Items</i>		
Departmental Outputs	49,784	110,041
Equity Adjustment	133,816	40,410
<i>Administered Items</i>	16,619	32,776
Vote	67,413	183,227

Source: Appropriation Bill 2008, p. 9.

Priorities in the SDS for 2008-09 include:

- Finalisation of the design, construction and operation of the largest recycled water project in the southern hemisphere;
- Water grid projects including the Gold Coast desalination plant due for completion in December 2008;
- Planning and development of regionally-based water infrastructure projects;
- Completion of the *Coal Infrastructure Strategic Plan*, and continued assistance to implement the *Coal Infrastructure Program of Actions*;
- Facilitation of the Surat Basin railway, and the Northern Economic Triangle;
- Completion of the *Southport Broadwater to Southern Moreton Bay Marine Infrastructure Master Plan* and *Inskip Peninsula Master Plan*;

- Managing significant project declarations and associated environmental impact study processes;
- Implementation of the *Housing Affordability Strategy*, and the planning reform implementation project;
- Undertaking a review of the *South East Queensland Regional Plan*;
- Facilitating significant government projects including the Aurukun bauxite and alumina refinery project, Whitsunday Airport, Townsville Ocean Terminal, Gold Coast Marine Development Project, Yeerongpilly Landing Development, NorthBank, Old Children's and the Gold Coast University Hospitals; and
- Planning, securing and managing land supply for urban, industrial and economic development.

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 2008-09 is \$51.478 million.¹⁴ Budgeted capital expenditure is \$109.77 million.¹⁵

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 2008-09 is \$24.076 million.¹⁶

Urban Land Development Authority

The Urban Land Development Authority (ULDA) was established under the *Urban Land Development Authority Act 2007* to facilitate the availability of land and a greater range of housing options, including affordable housing, as well as plan for and facilitate the provision of infrastructure.

Estimated expenditure for 2008-09 is \$9.5 million.¹⁷

Issues raised at the public hearing

Issues the committee canvassed with the Deputy Premier and Minister for Infrastructure and Planning at the public hearing on 15 July 2008 include:

- Government spending in relation to the Northbank project;

- Queensland Water Commission staffing and budget;
- South East Queensland water and management responsibilities within state government;
- The government's initiatives in relation to the South East Queensland Infrastructure Plan;
- Outcomes of the Tugun Bypass Project;
- Progress on the South-East Queensland Water Grid and associated infrastructure projects;
- The Western Corridor Recycled Water Project and the timing for the delivery of recycled water to Wivenhoe Dam;
- The Traveston Crossing Dam and impacts on roads;
- The Committee for Economic Development of Australia's information paper *Sustainable Queensland*, and Queensland's water grid;
- Water pricing recommendations from the Queensland Water Commission and the release of anticipated prices;
- Implementation of the Housing Affordability Strategy and the availability of affordable housing within the Urban Land Development Authority's proposed development sites;
- Queensland Water Commission reports relating to purified recycled water and water restrictions;
- South East Queensland water strategy timeframes and assessments of potential desalination sites;
- Water savings under the Target 140 campaign;
- Factors other than the supply of land that affect housing affordability;
- The status of, and projected key milestones for, the Airport Link project;
- The department's role with regard to the declaration of state development areas;
- Interaction between the *Coal Infrastructure Strategic Plan* and the *Coal Infrastructure Program of Actions*;
- Meeting electricity needs in North Queensland;
- Costs associated with the Western Corridor Recycled Water Project pipeline corridor;
- Cost-effectiveness of the Tugun desalination plant;
- Aurukun bauxite resources in western Cape York; and
- Application of regional planning principles across the state, particularly in Far North Queensland.

¹⁴ *State Budget 2008-09 Service Delivery Statements Book 1*, p. 1-111.

¹⁵ *State Budget 2008-09 Capital Statement – Budget Paper No.3*, p. 80.

¹⁶ *State Budget 2008-09 Service Delivery Statements Book 1*, p. 1-118.

¹⁷ *State Budget 2008-09 Service Delivery Statements Book 1*, p. 1-124.

Portfolio of the 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 for the design, construction, fit-out and maintenance of government buildings, information and communication technology (ICT), 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.¹⁸

The following table compares the appropriations for the department for 2007-08 and 2008-09.

Appropriations	2007-08 \$'000	2008-09 \$'000
<i>Controlled Items</i>		
Departmental outputs	93,762	82,128
Equity adjustment	187,237	182,708
<i>Administered Items</i>	45,534	68,723
Vote	326,533	333,559

Source: Appropriation Bill 2008, p. 9.

The following is a summary of the estimated output costs for 2008-09.

2008-09 Output Summary	2008-09 Estimate \$'000
Building Procurement and Asset Management	408,390
Procurement Services	17,153
Information and Communication Technology (ICT) Strategies	37,185
Public Records Management and Advisory Services	16,467
Total	479,195

Source: *State Budget 2008-09 Service Delivery Statements Book 5*, p. 3-44.

Budgeted capital expenditure for Public Works for 2008-09 is \$448.835 million.¹⁹

Priorities highlighted in the SDS for 2008-09 include:

- Supporting the government's extensive building and infrastructure program;
- Delivering solutions to address environmental issues such as energy savings, reduced water consumption, sustainable design, asbestos management, carbon reduction, and fuel efficient government vehicles;
- Progressing initiatives for the government vehicle fleet aimed at reducing engine emissions by 15% by the end of 2010, 25% by the end of 2012 and 50% by the end of 2017;
- Progressing procurement and logistics reform, including the establishment of sector-wide procurement arrangements for common items to deliver significant whole-of-government savings;
- Introducing a second major data centre facility for the Queensland Government as a key part of the government's revised data centre strategy;
- Making significant advances in the consolidation of agencies' ICT, in particular data centres, networks and infrastructure components; and
- Planning and delivering a program of events to engage the people of Queensland with their heritage as part of the State's 150th anniversary celebrations in 2009.

¹⁸ *State Budget 2008-09 Service Delivery Statements Book 5*, p. 3-39.

¹⁹ *State Budget 2008-09 Capital Statement – Budget Paper No.3*, p. 132.

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 2008-09 is \$157.655 million.²⁰ Budgeted capital expenditure is \$10.281 million.²¹

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 2008-09 is \$715.127 million.²² Budgeted capital expenditure is \$13.574 million.²³

QFleet

Q-Build is a commercialised business unit providing fleet leasing, management and advisory services and vehicle maintenance and repairs. Estimated expenditure for 2008-09 is \$133.382 million.²⁴ Budgeted capital expenditure is \$129.875 million.²⁵

CITEC

CITEC is the primary ICT service provider for the Queensland Government. Estimated expenditure for 2008-09 is \$171.076 million.²⁶ Budgeted capital expenditure for CITEC is \$46.038 million.²⁷

Goprint

Goprint is responsible for printing and distributing government publications. Estimated expenditure for 2008-09 is \$18.994 million.²⁸

Sales and Distribution Services

Sales and Distribution Services 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 2008-09 is \$70.075 million.²⁹ Budgeted capital expenditure is \$124,000.³⁰

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.

On 21 September 2007 the functions and resources of the Shared Service Agency were transferred from Queensland Treasury to the Department of Public Works. Estimated expenditure by the Shared Service Agency in 2008-09 is \$216.807 million.³¹ Budgeted capital expenditure is \$939,000.³² CorpTech provides 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 2008-09 is \$112.793 million.³³ Budgeted capital expenditure is \$38.018 million.³⁴

Department of Housing

The Department of Housing provides housing assistance and develops strategies aimed at improving access to safe, secure, affordable and appropriate housing. The following table compares the department's appropriations for 2007-08 and 2008-09.

Appropriations	2007-08 Estimate \$'000	2008-09 Estimate \$'000
<i>Controlled Items</i>		
Departmental Outputs	122,237	148,475
Equity Adjustment	164,635	172,011
Vote	286,872	320,486

Source: Appropriation Bill 2008, p. 10.

Capital expenditure budgeted by the department for 2008-09 is \$516.884 million.³⁵

²⁰ State Budget 2008-09 Service Delivery Statements Book 5, p. 3-69.

²¹ State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 130.

²² State Budget 2008-09 Service Delivery Statements Book 5, p. 3-62.

²³ State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 130.

²⁴ State Budget 2008-09 Service Delivery Statements Book 5, p. 3-75.

²⁵ State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 130.

²⁶ State Budget 2008-09 Service Delivery Statements Book 5, p. 3-81.

²⁷ State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 131.

²⁸ State Budget 2008-09 Service Delivery Statements Book 5, p. 3- 87.

²⁹ State Budget 2008-09 Service Delivery Statements Book 5, p. 3-93.

³⁰ State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 131.

³¹ State Budget 2008-09 Service Delivery Statements Book 5, p. 3-100.

³² State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 131.

³³ State Budget 2008-09 Service Delivery Statement, p. 3-106.

³⁴ State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 131-2.

³⁵ State Budget 2008-09 Capital Statement – Budget Paper No.3, p. 75.

The following table gives a summary of the estimated output costs for 2008-09.

2008-09 Output Summary	2007-08 Estimate \$'000
Social Rental Housing	519,458
Indigenous Community Housing	95,686
Crisis Housing	18,547
Private Market Assistance	70,789
Community Renewal	24,379
Total	728,859

Source: *State Budget 2008-09 Service Delivery Statements Book 5*, p. 3-114.

Priorities highlighted in the SDS for 2008-09 include:

- The adoption of new client intake and assessment processes to assess applicants' housing needs and determine the most appropriate form of housing assistance;
- Furthering the development of a range of assistance products to provide alternatives for eligible clients, such as the trial of RentStart;
- Investing to assist Queenslanders to enter the private market or maintain their current market tenancy;
- Investing to support a capital program to accelerate the expansion of Queensland's social housing base, and assist low-income households experiencing severe housing stress;
- Continuation of the government's provision of housing to regional and remote Indigenous communities through the Housing Improvement Program;
- Expansion of housing supply to accommodate people at risk or already experiencing homelessness and the redevelopment of the Lady Bowen Complex;
- Continuing to support whole-of-government projects to achieve positive community outcomes through service delivery initiatives;
- Modifying housing to accommodate spinal injury patients who no longer require hospital care; and
- Continuing to source and provide suitable alternative accommodation for eligible clients with a mental illness.

Queensland Building Services Authority

The Queensland Building Service Authority provides a licensing regime and regulatory function for the building industry. Estimated expenditure for 2008-09 is \$74.384 million.³⁶

Residential Tenancies Authority

This statutory 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 2008-09 is \$31.183 million.³⁷

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 15 July 2008 include:

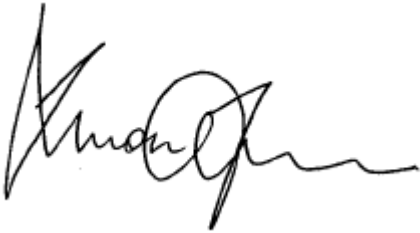
- Asbestos management in government owned buildings;
- Greenhouse gases emitted by the Department of Public Works;
- The *Q-Fleet ClimateSmart Action Plan 2007-2010*;
- Construction of the Skilled Park Stadium at Robina;
- Access to enhanced broadband technology and services under the Australian government's National Broadband Network program;
- The Rockhampton Riverbank Redevelopment;
- The number of apprenticeship positions;
- The Shared Service Agency;
- The sale of surplus Q-Fleet vehicles;
- Q-Build's emergency maintenance fund;
- The Service Delivery and Performance Commission report on Goprint;
- Progress of the Tank Street Bridge project;
- Expansion of Queensland's social housing base;
- Housing for regional and remote Indigenous communities;
- The National Affordable Housing Agreement; and
- Unclaimed rental bonds administered by the Residential Tenancies Authority.

³⁶ *State Budget 2008-09 Service Delivery Statements Book 5*, p. 3-127.

³⁷ *State Budget 2008-09 Service Delivery Statements Book 5*, p. 3-134.

Recommendation

The committee recommends that the proposed expenditure, as detailed in the Appropriation Bill 2008 for the portfolios of: the Premier; Deputy Premier and Minister for Infrastructure and Planning; and Minister for Public Works, Housing and Information and Communication Technology; be agreed to by the Legislative Assembly without amendment.



Simon Finn MP

Chair

August 2008

Committee Members

Mr Simon Finn MP (Chair)
Member for Yeerongpilly

Mr Lawrence Springborg MP (Deputy Chair)
Member for Southern Downs

Mr Paul Hoolihan MP
Member for Keppel

Mrs Betty Kiernan MP
Member for Mount Isa

Miss Fiona Simpson MP
Member for Maroochydore

Mr Ray Stevens MP
Member for Robina

Ms Barbara Stone MP
Member for Springwood

Secretariat

Rob Hansen (Research Director)

Kellie Moule (Research Officer)

Erin Pasley (Executive Assistant)

STATEMENT OF RESERVATION

Premier and Cabinet

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 Committee hearings.

This year has once again shown major deficiencies in the Estimates Committee process that has limited the effective scrutiny of the expenditures of Government Departments and agencies. The following general reservations are held with regards to the Estimates Committee Process:

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

- The overall Estimates process has failed to allow for any real analysis of the expenditures detailed in the Queensland Budget Statements.
- The limited time available to scrutinise each of the portfolios and agencies outlined in session timetables fails to provide the committee and its members adequate analysis of each portfolio's expenditure.
- The limited number of Questions on Notice allowed for each portfolio limits the capacity of members to examine in depth all areas of the allocated budget items.
- The Estimates Committees fail to allow direct questioning of Senior Public Service administrators.
- Responses to Questions on Notice are received less than 24 hours prior to the commencement of Committee hearings. This stunts the capacity of members to assess the completeness and accuracy of answers provided.
- In addition to the inadequacy of the time allocated for questions without notice, the Ministers' scripted replies rarely addressed the substance of the issues put to them. Generally their filibustering responses are orchestrated to consume the time of the committee with trivialities.
- During committee meetings, the requirement for timed blocks of Government and Non-Government questions prevents Members being able to follow a line of questioning in a logical and consistent manner. This is contrived to obstruct the finalization of substantial issues raised by non-Government members in particular.
- The integrity of the Estimates Committee process is grossly compromised due to amendments made to the Criminal Code Act 1899 (Qld) in June 2006, which abolished the crime of knowingly providing false evidence to the Legislative Assembly or a committee.

As a result, the standard of answers and the accuracy of information provided to Committees in 2007 declined and declined further in 2008. So much false, misleading and/or irrelevant information is now included that the core objective of forming these committees at substantial public cost has been lost.

Following consideration of the Committee's debate the following reservations are held –

The Commission for Children, Young People and Child Guardian –

- The Premier did not have a clear understanding or knowledge of the area of the Commission for Children, despite her calls for all Ministers to be across their portfolios
- Political interference by the Premier's department into the business and dealings of the Commission for Children is apparent.
- The Premier's Department has attempted to white wash an independent report by the Commission for Children into the Department of Child Safety.
- The role of the Commissioner for Children has been politicized. Comments to the committee in regard to the status of a report into the 'Indigenous Child Placement Principle' were misleading.
- During the committee stage in consideration the Premier and the Commissioner both contradicted their own statements about their knowledge of the commission's report into Indigenous Child Placement by Child Safety.
- The insistence by the chair that all questions be directed through the Premier (when she was clearly unable to answer questions of the Commissioner for Children) made following a direct line of questioning difficult.
- The Premier was quick to make excuses for the findings of the report, when she was unaware if she had or had not seen or been briefed on the report.
- By downplaying the significance of the report into 'Indigenous Child Placement Principle', the Premier focused on process and not on the serious implications for children. This was an alarming exchange given that the need for accurate record keeping and the application of this 'placement principle' was a recommendation of the Queensland Crime and Misconduct Commission.

Premier and Cabinet –

- The wasteful and inappropriate increase in the salary of the chief of staff to the premier sends the wrong message to Queenslanders when the Government should be trying to save money.
- The Premier told the committee she had not considered the ramifications of a \$100,000+ pay rise for her chief of staff even though other ministerial and executive staff were limited to a 4% increment.
- While acknowledging that her Government planned to incur \$65M worth of debt in the next four years, the Premier could not lay out for the committee, as requested, a debt repayment schedule.
- The Premier could not explain to the committee how in the wake of his appointment, Mr Kaiser could serve as a role model to Ministerial Staff in portfolios responsible for the ethical administration of the electoral system.

The Government had wastefully allocated money to renew the political campaign website “peterbeattie.com” even after the departure from politics of the former Premier.

- The Premier refused to provide the committee advice on the carbon footprint of Government departments, despite enthusiastically endorsing steps to cut the activity of Queensland businesses based on their carbon footprint.
- The Premier could not say whether the Government receives reports on levels of greenhouse gas emission produced by departments as a result of electricity consumption.
- The Premier declined to say whether the greenhouse gas consumption of her department was going up or down and was not surprised or concerned that ten months after its creation, the Government’s Climate Change office had still not calculated greenhouse gas consumption by departments.
- The Premier declined to say how much electricity was used in the Executive Building where the Premier’s office is located.
- The Committee was told the Government could not forecast the impact on the Queensland economy of measures proposed as a result of the recent Garnaut report on climate change.
- Despite changes at other levels of Government, when it comes to the employment of Ministerial staff, there remained no requirement for checks on the criminal history of appointees.

Signed

A handwritten signature in cursive script, appearing to read "L. Springborg".

Lawrence Springborg
Leader of the Opposition
Member for Southern Downs

Statement of Reservations – Committee A – Infrastructure and Planning

Poor scoping, contracting and cost control of major capital projects is threatening the roll-back of other projects which are needed to match Queensland's growth. As a result of this bad planning and management, the SEQIPP program which started out as a \$32.27 billion document and is now estimated by government at \$107 billion, is fast becoming an aspirational rather than a robust operational tool. It should be noted that SEQIPP is only the South East Queensland infrastructure program and there are considerable capital investment requirements elsewhere in the State.

Thus it is disappointing that the \$800 million blowout on the \$2.5 billion Western Corridor Recycled Water Pipeline – a blowout which is equivalent to 38 schools or 136 police stations – is glossed over by the government as an acceptable cost variation. This is despite this project's drought yield being revised down to only 140 ML/d which is about the same yield as the \$1.2 billion Gold Coast desalination plant yet at over twice the cost.

I applaud the engineering abilities of the pipeline's builders but question the cost control, contracting and poor strategic decision making of the government which led to this unacceptable blowout.

The proposed North Bank project is another example of government laidback nonchalance about cost blowouts. It was revealed during Budget Estimates that the North Bank design to date has cost taxpayers \$5 million despite government assurances the project would cost taxpayers nothing and the fact no final design has been resolved.

Airport Link provides one more case of government budgeting incompetence. Airport Link was reported at estimates to be \$3.4 billion. Premier Anna Bligh had previously said the State Government's contribution would be only \$47 million, but after the estimates process it was revealed the State Government's contribution had now risen to \$267 million.

Finally but not least, Queensland's new convoluted water bureaucracy is a beast of unknown cost. Perhaps this way the government cannot be caught out getting its estimates wrong. When asked to explain what were the estimated cost of the new bureaucracies which add additional layers of redtape and personnel between customers and the bulk supplier, the Infrastructure Minister and his department could not answer. Considering that recent history shows his previous premier Peter Beattie promised the Queensland Water Commission would cost about \$2 million and this year it will be a \$24.1 million bureaucracy, it is perhaps understandable why the government is getting shy of defending the indefensible. This however is not the way to build and manage the State's assets and deliver services.



Fiona Simpson MP

Member for Maroochydhore

SHADOW MINISTER FOR HOUSING AFFORDABILITY AND PUBLIC WORKS, SHADOW MINISTER FOR
INFORMATION & COMMUNICATION TECHNOLOGY –
MR RAY STEVENS MP
STATEMENT OF RESERVATIONS – PUBLIC WORKS, HOUSING AND INFORMATION AND COMMUNICATION
TECHNOLOGY
ESTIMATES COMMITTEE A 2008

I would like to place on record my observations of the Public Works, Housing and Information and Communication Technology Portfolio Public Hearing as part of Estimates Committee A for the year 2008.

My concerns will explore discrepancies and anomalies in certain areas of the portfolios that were addressed at the public hearing on Tuesday 15 July 2008.

I note that answers to Questions On Notice are returned to Committee member's a day prior to the public hearing I would suggest the returning of answers to Questions On Notice a couple of days before the public hearing as to allow for a more in depth analysis.

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

PUBLIC WORKS

Asbestos

Last year and this year I asked the Minister to make public, the BEMIR system report that records asbestos at Government sites throughout Queensland. The Minister replied and explained that it was an issue for the Department of Education. This is a serious issue and publically available data on the issue should be available.

In my second question I asked for a list of all Government sites that contain different types of asbestos and the answer I was given eventually from the Director General was that it was not possible to compile the list as it would take years and years.

I would have thought as it is a requirement by law for each building to record this data that a complete list would be easily assessable.

Following on I moved to the requirement of Government buildings having to complete a yearly asbestos audit by professional auditors, like all Non Government buildings have to because of new legislation that came into force on 1 January 2008.

According to the Department it has.....*qualified builders who look at plans and ensure plans are still current.....*
So under the legislation Queenslanders who own commercial buildings have to incur the additional expense of having a professional audit done every year whereas the Government does not have to incur this additional expense because they use in house staff who can be easily controlled.

Greenhouse Gas Emissions

I moved onto the levels of Greenhouse Gases that are emitted by the Department of Public Works for the 2007/2008 financial year and this was unable to be answered because the Department had*not got to the point of doing a carbon footprint of every building in the State.....*

There have also been no costings done by the Department in regards to meeting Greenhouse Gas emissions reduction target of 60 per cent below 2000 levels by 2050. Q Fleet was referred to in the answer to this question.

Shared Service Agency

My question on the Shared Service Agency referred to the transfer of the agency to the Public Works Department I was assured that there were no additional costs to the Department for this to happen.

Q Fleet

I moved onto a question on the surplus vehicles in QFleet and the Department of Public Works program for selling these off. I would have thought they would try and sell the 740 vehicles that are currently sitting idle to ensure no further loss to the Department.

Q Build

One of my questions for QBuild was about the decision go for public measuring by the Department of the issue of community councils assisted by indigenous apprentices and to only do this internally. This I believe should still be part of the budget measures and should not be hidden within the Departmental records.

Goprint

My question referred to the damning report by the Service Delivery & Performance Commission of Go Print and other departments should seek private sector for any of their printing. This was rejected by the Minister and the Go Print business was highly defended by him even though it operates its business at a loss.

Investing Activity Inflows – Mareeba & Mackay

I moved onto the sell off of two properties in Mareeba and Mackay which ended up being sold to a private company 33 River Street Pty Ltd in Mackay for \$1.575 million and the second being the former court house at 167 Walsh St, Mareeba for \$1.325 million to the Department of Justice & Attorney General. I am seriously concerned with the need of the Government to keep selling off its assets which looks like they are struggling to balance departmental spending and ultimately pay off the State debt.

HOUSING

Sale of Public Housing Stock to Tenants

In the answer to a Question On Notice I submitted for the Estimates process on the sale of properties to tenants I received back from the Minister a long list of what had been sold. The issue here is that how can people on public housing afford mortgages of up to 400,000 and beyond. (eg the property sold at Woolloongabba for \$482,000)

I am concerned that there are many people who are earning over the 80,000 threshold that are still utilising public housing in Queensland when the people in most need are missing out.

Queensland Disability Housing Coalition

The question I asked the Minister regarding the Queensland Disability Housing Coalition has highlighted the reduction in funding that the Minister has allocated to certain community based housing organisations. This is of great concern as the Minister also elaborated that the Queensland Youth Housing Coalition will loose their funding and on both occasions this was due to these organisations not being in a position to give advice on housing and that the advice they gave him was more pertinent to the Communities Minister.

I find this quite absurd as both organisations are focussed on aiding Queenslanders finding appropriate housing and support for their clients specific needs.

Review of Public Housing Waiting List

The Review of the Public Housing Waiting List has brought up the issue that certain people on the waiting list will be disadvantaged because of having their position reclassified and placed further down the public housing waiting list.

The Minister expressed the view that they are not being downgraded. I am concerned that there will be less of a rotation of people on the waiting list and that they will stay on the list a lot longer than needed.

Sell off of Properties in Inala Area

My next question focussed on the selloff of public housing properties in the Inala area which under the current housing crisis and the ever growing extensive public housing waiting list, I would have thought would be inappropriate and therefore denying people on the list housing accommodation.

National Affordable Housing Agreement

I went on to explore the new National Affordable Housing Agreement and whether it will be that the GST will be given from the Federal Government in one lump sum or distributed to areas of priority in housing. The Director General responded and explained that it was too early to know how the funding will flow to the States but there will be Commonwealth initiatives that will be funded and included in the agreement.

At this stage I would like to point out that Queensland has, over the last 5 years of the Federal Coalition Government, received nearly \$1 Billion dollars in housing assistance with 156 fewer public housing dwellings in stock. These figures just don't add up and I would suggest an audit take place to see exactly where this money has been distributed.

BSA

Insurance between when a builder goes broke and the assigning of a new builder to complete the job was a suggestion that I raised with the Minister last year and I followed up on this which has not been addressed as yet.

The State audit question of the BSA that I raised was answered by Ian Jennings from the BSA who explained that it was funded as part of their outgoings for the year and he said that he could get the costing for me which I would like as a matter of course

Rental Tenancies Agency

My final question explored the \$3.6 million in unclaimed rental bonds that are kept by the RTA and how long will it be available for former tenants to claim. The answer was they could potentially pay people back in a hundred years if there is a claim, although if after seven years the Minister under the legislation has the potential to use those funds for appropriate purposes. I would urge the Minister to implement further procedures to find people so as to pay back the money that is rightfully theirs.

For my final comment I would like to thank the Minister, Departmental Staff of Public Works, Housing, the Building Services Authority, and the Rental Tenancies Authority for their preparation of their portfolio areas and Parliamentary staff assigned to Estimates Committee A for their professional handling of the Estimates process.



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