

FRIDAY, 15 JULY 2011

**ESTIMATES—INDUSTRY, EDUCATION, TRAINING AND INDUSTRIAL
RELATIONS COMMITTEE—TRADE, STATE DEVELOPMENT AND
COORDINATOR-GENERAL**


Estimates Committee Members

Mr KG Shine (Chair)
Dr B Flegg
Mr SA Kilburn
Mrs DC Scott
Mr JW Seeney
Mrs JA Stuckey

In Attendance

Hon. AP Fraser, Treasurer and Minister for State Development and Trade
Department of Employment, Economic Development and Innovation
Mr I Fletcher, Director-General
Mr M Bermingham, Associate Director-General, Employment and Economic Development
Mr K Davies, Coordinator-General, Office of the Coordinator-General
Mr D Walker, Deputy Coordinator-General, Infrastructure and Land

Committee met at 9.30 am

 **CHAIR:** Good morning, everyone. I declare this estimates hearing of the Industry, Education, Training and Industrial Relations Committee now open. The committee will examine the proposed expenditure contained in the Appropriation Bill 2011 for the ministers and areas of responsibility allocated to it under schedule 6 of the standing orders of the Legislative Assembly. The committee will examine the relevant organisational units within the portfolio of the Treasurer and Minister for State Development and Trade; the Minister for Tourism, Manufacturing and Small Business; the Minister for Employment, Skills and Mining; and the Minister for Education and Industrial Relations. The order in which the organisational units will be considered is outlined in the hearing schedule. The committee will suspend proceedings for the following breaks: morning tea from 10.30 to 10.40 am, lunch from 12.45 to 1.45 pm and afternoon tea from 4.45 to 5.15 pm.

We will commence with the Treasurer and Minister for State Development and Trade. On behalf the committee I welcome the Treasurer, departmental officers and members of the public to the hearing. I am Kerry Shine, the member for Toowoomba North and chair of the committee. Mr Jeff Seeney, the member for Callide, is the deputy chair. The other committee members are Mrs Desley Scott, the member of parliament for Woodridge; Dr Bruce Flegg, the member of parliament for Moggill; Ms Jann Stuckey, the member of parliament for Currumbin; and Mr Steve Kilburn, the member of parliament for Chatsworth. Mr Tim Nicholls, the honourable member for Clayfield, has been given leave by the committee to participate in the hearing.

I remind all those participating in the hearings today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard, I remind members of the public that, under the standing orders, the public may be admitted to or excluded from the hearing at the discretion of the committee. The committee has resolved that the proceedings of the committee be broadcast and that photography be allowed, subject to the conditions for broadcasters of proceedings and guidelines for camera operators in estimates hearings, which have been circulated to the media. I ask that mobile phones or pagers be either switched off or switched to silent mode. I remind

members that recent changes to standing orders, set out in schedule 7 of the standing orders, now provide that directors-general and those chief executive officers may be questioned by the committee. For the benefit of Hansard, I ask departmental officers to identify themselves before answering a question.

I now declare the proposed expenditure for State Development and Trade, within the portfolio of the Treasurer and Minister for State Development and Trade, open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Treasurer, if you wish you may make an opening statement. I remind you that there is a time limit of three minutes for such a statement.

Mr FRASER: Thank you, Chair, and thank you other members of the committee for your attendance here today and for the investigation and assessment of the resources that the government is directing towards the economic development of the state through the portfolio of State Development and Trade. The portfolio includes the Office of the Coordinator-General, as well as the economic development functions of the Department of Employment, Economic Development and Innovation, including those activities of Trade and Investment Queensland. It is important to emphasise the critical role that this agency plays in the economic development of our state. Through the Office of the Coordinator-General, you see that at the end of the financial year on 30 June there were 25 projects actively under consideration with a value of some \$61 billion worth of investment to the state of Queensland. More importantly, that represents the potential for 37,500 construction jobs and, indeed, beyond that, 18,400 operational jobs as those projects are assessed and driven towards completion in accordance with the law and in accordance with environmental regulation, but with a keenness on behalf of the government to see the development of the state take place, as has been the case throughout our history as the state of Queensland.

For example, last week the Airport Link project reached a major milestone with the tunnel boring machines finishing the break through. The Whitsunday Airport upgrade project will improve the gateway to the Whitsundays. The Wyaralong Dam is a stunning construction success story. Rare is the occasion that a dam such as this or any dam is completed within one dry season. I am pleased to advise the committee that, in the final assessment, the Wyaralong Dam has, in fact, come in under budget. The final completion cost is \$338 million compared to the budget of \$348 million. It has been not only completed on time and well ahead of schedule but also with a saving to the taxpayers of Queensland. Other projects underway at the moment of interest to members of the committee include the compulsory acquisition of a site for the development of the new Gold Coast showgrounds. Our efforts in investment attraction also continue with another dozen projects brought to the state over the past 12 months, representing another 650 jobs as the government's ability to drive investment, attract investment and promote employment in the state continues.

A critical part of the Queensland economy is our exports. We are an outward looking state. We have forever been an outward looking state. Exports are worth around \$50 billion to the economy of Queensland. Trade and Investment Queensland has, in fact, secured \$1.4 billion worth of trade outcomes with the assistance provided to more than 3,000 firms across Queensland. Relevant and perhaps under appreciated is that 38 per cent of the firms assisted by Trade Queensland come from regional Queensland. Focusing our resources in regional Queensland, for instance with offices now in Toowoomba, has been a critical part of the way in which we have sought to gain the best bang for buck out of the investment that is made in Trade Queensland.

It is important to emphasise that beyond these traditional strengths, we have also been investing in the new economy, in the new agenda for the future. The budget included \$100 million to further the Smart State agenda, which is all about furthering the cause of jobs, investing in the jobs of the future and, indeed, in the industries of the future. Those are investments being made in industries such as pharmaceuticals, in high-end research and in promoting innovation across the board and, in particular, in small and medium enterprises as we seek to lift the ability of our knowledge-intensive industries to contribute to the wellbeing of Queensland.

With that, I would like to commend to the committee the resourcing proposed in the budget. I invite the committee's questions on the substantive position of the government in allocating resources to economic development. It is one that I think has served our state well in history and should do so into the future.

CHAIR: The first period of questioning is allocated to non-government members. Member for Callide?

Mr SEENEY: Thank you, Mr Chair. Treasurer, I note in the budget documents, the departmental overview begins with a paragraph on ministerial responsibility. I was somewhat bemused to see that six ministers have ministerial responsibility for DEEDI, of which your name is at the top of the list. Treasurer, is it not a fact that this convoluted structure means that you and your fellow ministers have no ministerial authority over the department and the concept of ministerial responsibility is totally lost in this bureaucratic structure?

Mr FRASER: Absolutely not. In fact, what you see is very clearly that I take lead responsibility for this agency and that other ministers work as we seek to make sure that the effort within the government on economic development is brought through one structure. I think quite the opposite: DEEDI is one of the stunning success stories of the reorganisation of the government after the last election. The Department of Communities has been particularly successful in breaking down previous barriers and seeing agencies that previously worked in silos work together. Frankly, I think the story of DEEDI is one of the success stories of this term of government. I want to make the point in particular—

Mr SEENEY: So are you responsible for the whole department?

Mr FRASER: I am happy to answer questions on the agency as a whole and on those areas that I have particular responsibility for. However, make no mistake: across the board ministers take responsibility for the legislation underneath them and for the budget of DEEDI. Therefore, I am happy to answer your questions across the agency in that regard at a corporate level. Secondly, I make this point: in the floods you saw the great benefit of the Department of Employment, Economic Development and Innovation where joined up parts of bureaucracy were able to work without barriers to provide resources and effort across the board. Frankly, I think that if your question intimates that the first task of an LNP government would be to dismantle DEEDI, that would be a retrograde antediluvian step.

Mr SEENEY: I direct a question to Mr Fletcher, as the director-general of the department. From an administrative point of view, how does that convoluted departmental structure influence the allocation of resources within the department and the reporting requirements that you require of the officers that answer to you?

Mr Fletcher: I am very grateful for the question. The way that the department is organised is to ensure, as the Treasurer says, that the ministerial team to which we account is able to discharge their responsibilities and duties effectively. We do that by having an arrangement where we ensure that every member of the senior team of the department is involved in a resource planning process, which enables us to look across the department at where the government's overall priorities lie and move the resources that we have within the budgetary envelope. We take very seriously the responsibilities we have under the Public Service Act for economy and efficiency. One of things that I am personally very proud of is that, over the past year, our employee expenses across the department have fallen and we have been able to use arrangements for head-count control to ensure that the department has as many people as we can in the frontline and an appropriately small, coherent and organised tail.

Mr SEENEY: My question was, how do you work out who answers to whom; who answers to which minister?

Mr Fletcher: We have a structure with two layers. The way we have divided the department is into a system of management units. Tourism is a good example; agriculture and food is a good example. Each of those management units, taken together, assembles quite clearly and coherently into the portfolio structure. It is clear that every member of the ministerial team has a number of these management units that report to them. That means that the budget and policy ownership is extremely clear and at the same time is capable of being moved around.

Mr SEENEY: Mr Fletcher, has there been any efficiency report prepared by the Auditor-General or any such office into the way that the department is structured?

Mr Fletcher: No, there has not.

Mr SEENEY: Has an internal audit been done?

Mr Fletcher: We have done two things to look at it. Firstly, we have run our own internal budgetary process. For example, for the financial year that has just started, we asked every management unit of the type that I have outlined to reduce their core expenditure by 7.5 per cent. We took those resources so freed into the centre, so that we could move them effectively around to where the priorities lay. Separately, a year or two ago we undertook an exercise where we used an external consultant to facilitate a conversation within the department as to how we should best organise and structure things. The approach to managing resources that I have outlined very much reflects the outcome of that process as well.

Mr SEENEY: Minister, if I can go then to the part of the document that defines the department's role. I will not quote it. For the sake of brevity, I will paraphrase it a bit. It says that DEEDI will help foster an environment where Queensland's economy recovers and grows through maximising the growth potential of the coal industry over the next two decades. How is the role that is defined there for the department that you administer not a profound contradiction to your personal support for the Prime Minister's carbon tax?

Mr FRASER: Let us be very clear about what I expect to happen in the coal industry over the coming years, that is, I expect it to grow in line with demand from emerging markets. In particular, I expect it to grow with the demand for metallurgical coal, which has no substitute in the making of steel. Unless you disbelieve the urbanisation—

Mr SEENEY: Which is why it is profoundly absurd to support the carbon tax.

Mr FRASER: I am happy to answer the question of the Leader of the Opposition. Unless you disbelieve the urbanisation of emerging markets through Asia, you can have profound confidence in the future of the coal industry in Queensland. It will be a coal industry that develops in a way that is not only the most economically efficient but also, and more importantly, environmentally efficient as well.

Not one single hydrocarbon of coal will be sterilised by the introduction of a carbon tax. For me to put that view to you is to deny the scaremongering that is being conducted by the economically irresponsible and morally reprehensible position that is now being advanced by the LNP in this nation. This debate has regressed, not progressed. As we get closer to implementing action on climate change, the debate in our nation has moved from a consensus that there is a need for action to a pretence by the LNP that they want to cuddle up to those people who are climate change denialists, those people who do not want to confront the future. I consider that this is an important and sensible economic reform. That is why, for instance, the vast majority of economists, when surveyed in a report yesterday in the *Australian Financial Review*, support the 'play it' approach. That is why the vast consensus of scientific evidence is in support of evidence of human induced climate change. In that regard, I think there is the ability for this debate to be conducted rationally, rather than in the pretence that people are about to lose their jobs.

I challenge you this: on 1 July 2012, I want you to find me the 2,600 people who you have said—and you have repeated the Queensland Resources Council line—will lose their job on that day, because they will not. Secondly, and more to the point, there will be more people working in the coal industry in 12 months time, in two years time and in 20 years time. Mark my words.

Mr SEENEY: Treasurer, do you believe that your personal support for the Prime Minister's carbon tax will assist in achieving the goal that you have set out for your department to maximise the growth potential of the coal industry over the next two decades? Do you believe that your personal support for that carbon tax will assist in achieving that goal, or do you recognise that there is a fundamental hypocrisy, an absurd hypocrisy, in supporting such a carbon tax and advocating this as a key role for your department?

Mr FRASER: Taking your position to its logical conclusion, there should be no environmental constraints on the development of coal resources in Queensland because, by definition, that would retard its development potential.

Mr SEENEY: That is piling absurdity on absurdity.

Mr FRASER: No, that is absolutely the proposition that you are proposing. This is no more—

CHAIR: The minister is answering the question.

Mr SEENEY: I would appreciate, Mr Chairman, if the minister would answer the question rather than direct personal abuse at me. He spent most of his last answer abusing me. I would appreciate it if the minister answered the question rather than abused me and criticised the LNP. That is not the question. The question is about the absurd hypocrisy of the position that the minister adopts.

CHAIR: Order! The minister is entitled to answer the question.

Mr FRASER: I did not realise that glass jaws were catching.

CHAIR: The minister is entitled to answer the question in a way he sees fit. You ask the questions and he answers them.

Mr SEENEY: Because he cannot answer the question, he seeks to personally abuse the asker of the question.

CHAIR: Has the minister concluded his answer?

Mr FRASER: No, I would like to provide the answer. Thank you, Mr Chair, for your guidance of the committee. Let us be very clear about this: the development of coal resources in this state will continue to take place, driven by the economics of development and driven centrally also by the regulation of the coal industry, in an environmentally appropriate way, including in the future when the most efficient form of carbon emission abatement is incorporated in those decisions.

Let me repeat again: not one single hydrocarbon of the coal resource will be sterilised by the introduction of a price on carbon. More importantly, it will be developed in a way that is not only economically efficient but also environmentally efficient. There are plenty of people in the coal industry—people with whom I have had conversations—who accept the need to act on climate change, who know that ultimately the best way to act on climate change is to price carbon. And for what it is worth, when the industries and the companies that you are talking about publish on the Australian Stock Exchange, as they are obliged to do, a quantification of the damage that you seek to purport to misrepresent, then I will take these views much more seriously and I will take the rhetoric being advanced by the LNP on this around the nation much more seriously.

Mr SEENEY: Will the Prime Minister's carbon tax make it easier or harder for your department to achieve the goal that is set out—

Mr FRASER: It will make it more economically and environmentally efficient.

Mr SEENEY:—in the budget documents to maximise the growth potential of the coal industry over the next two decades? Easier or harder?

Mr FRASER: It will make it more economically and environmentally efficient. As members of parliament with responsibilities not just to present-day constituents but also to future generations, all of us should rise above this debate and look to a future where I know that carbon will be priced around the developed world and into the developing world. If we are not a nation that can confront that then we are a nation that condemns future generations to the travails of climate change. I think the idea here that Mr Abbott's nay-saying, which has become a stain on public life and should be given some sort of deity within the LNP political textbook, is a great disappointment to the standard of public debate not only in Queensland but also in Australia.

Mr SEENEY: Minister, do you base that answer on any data or analysis that you have done, or is it just blind political rhetoric and faith in following your Labor colleagues at a federal level? What work have you done to provide a basis for the answer you have just given?

Mr FRASER: Are you going to use the argument I advanced as the basis for your next question? I just put the case to you that what is going on in this debate—

Mr SEENEY: My question is: what basis do you have for the answer that you have given the committee? Where is the data?

CHAIR: Order! You have asked the question.

Mr FRASER: It is based on a very clear assessment—that is, the consensus in the marketplace amongst everybody that the demand for coal resources will continue. As we have already indicated, as I was indicating at length on Tuesday, it is clear that the growth of the coal industry will continue. Secondly, the Treasury is now undertaking a full, economy-wide analysis. On Tuesday I undertook to provide that in the public arena. I noticed the histrionics from the shadow Treasurer about that being somehow an irresponsible position, and I invite him to read the article about the position of the New South Wales government that was contained in yesterday's *Australian Financial Review* which sounded to me that the New South Wales Treasury, under a Liberal Premier, had taken exactly the same approach.

In all of these things I would like a basis of fact. In fact, what you saw this week was Peabody, which knows a thing or two about the coal industry, and Arcelor Mittal, which knows a thing or two about the resources sector, deciding to pay above the odds for an acquisition of Macarthur Coal. Beyond all the rhetoric, beyond all of the analysis, beyond what everyone else wants to say, let us look at what the market says and what people are doing with their money. When it comes down to it, that is a pretty big vote of confidence in the future of the coal industry in Queensland and denies the attempt by all of you to run around with umbrellas saying, 'The sky is falling.' Frankly, you owe it to the people of Queensland to lift the debate beyond the rhetoric.

Mr SEENEY: So there is no analysis and no basis. I direct you, then, to page 23 of the budget document where there is a rating for the position of Queensland's economic growth in comparison with other Australian states and territories, obviously rated from one to eight. Queensland is rated No. 7 for the estimated actual for 2010-11. Yet your target for 2011-12 is to take Queensland from No. 7 to No. 1. That is quite an optimistic target, I would suggest, given your support for a tax that will impact the resources industry, which is the base of Queensland's economy. Do you believe it would be prudent to re-evaluate that target, given your strong personal support for the Prime Minister's carbon tax?

Mr FRASER: You guys have really run out of puff by the end of the week. You are asking the same question over and over again and not going to any issues of substance. No, I do not see the need to resist it for one simple reason that the member for Callide might like to calibrate in his political slingshots. That is a target for 2011-12. Even if I accepted the economic claptrap that is the basis for the argument that you have been labouring so much for the last four days, there is one small problem with your assertion, which is that the target for 2011-12 is a target for 2011-12 and the tax which you seek to campaign against for your own base political purposes and against the interests of solid public debate in this nation applies from 1 July 2012. I put it to you that, even if I was to accept the flimsy rhetoric that is being advanced, it has no great import on the 2011-12 forecast. But secondly—

Mr SEENEY: What basis is there for that projection, then—to go from No. 7 to No. 1? What basis is there, apart from an expansion of the resources industry?

Mr FRASER: Firstly, it is all contained in a question on notice that was tabled on Tuesday. Secondly, it is based on the assessment that is made by the Treasury of what their forecast is—an assessment which, I might add, is on the low side of the assessment that QIC independently has made. Beyond that, it is based on the assessment that each other state has put forward for what their growth forecasts are into the future. What you see is that business investment has wound up in this state in a huge way. That has been accelerating through the last 12 months and into the next 12 months. Even if all of you are unable to imagine for one moment the sort of economic destiny that this state needs to

have and to understand basic economics, even if the people of Queensland have the great disbenefit of all of you dragging your knuckles across the chamber and sitting on the government benches, it would be the case that five per cent—

Mr SEENEY: Mr Chair, I do not really think the committee has to sit here and listen to personal abuse from a Treasurer who refuses to answer the question and seeks to abuse committee members for asking questions.

CHAIR: I think it is an appropriate time to ask the member for Chatsworth for his question.

Mr KILBURN: There is no doubting the importance of businesses innovating so that they can stay competitive in a global economy. Could you talk to the committee a bit about the track record of Queensland businesses as far as innovation goes?

Mr FRASER: I thank the member for Chatsworth for the question and for his interest in and support for small and medium enterprises and, indeed, large enterprises in his electorate. He is a man who has represented working people well throughout his working life and, more particularly, finally as the member for Chatsworth. One of the targets that the Queensland government has through the Q2 framework is to seek to increase the participation of small and medium enterprises in innovation. We know that we are not about to outwidget China into the future, but we certainly can make sure that we invest in innovation and in new technology in order to secure our own economic destiny.

The baseline that has been set for that Q2 target is 36 per cent, according to the ABS data that existed before the Q2 target was set. As is well known and appreciated out there in the broader community by those with an interest, the ABS has discontinued that measure. Therefore, the government has worked with the Business School at the University of Queensland to provide a new benchmarking study for innovation of business in Queensland. I am pleased today to advise the committee that the first result from that assessment a couple of years into the program towards 2020 shows that the level of innovation in Queensland businesses has increased from 36 per cent to 46 per cent. The target here is 54 per cent. So a short time into the time frame out to 2020 we find ourselves just under halfway along to seeking the ultimate goal of increasing the level of innovation by 50 per cent.

It is utterly important for all businesses to be able to compete into the future. It is the sort of thing that good businesses do. They innovate. They accept the challenges of the future, they see the dynamic circumstances around them and they therefore seek to adapt. It is the sort of thing that good businesses do and, frankly, it is the sort of thing that political parties worth their salt are able to do as well—that is, seek to innovate and accept the challenges of the future, not regress.

Mrs SCOTT: Can the Treasurer please advise the House of what the Bligh government is doing to promote further innovation in Queensland businesses?

Mr FRASER: Precisely because of the importance we see in investing in innovation, particularly in the small to medium enterprise sector, we ran a business innovation voucher program, which was started in the previous 2010-11 budget, that was extremely successful. That saw 22 businesses granted up to \$55,000 in order to invest in commercialisation and innovation of new products. In fact, I visited one yesterday in Cairns in the electorate of Barron River. I visited Placid Pools, which is undertaking amazing work in the area of chemical-free pools using natural filtering methods for people to be able to run their pools free of chemicals and, more to the point, with massive savings on their filtering costs as the filters run at a mere fraction of the filtering effort that is otherwise required. This is amazing, world-leading technology taking place and it is being supported now by an innovation grant from the Queensland government. It is about an opportunity for them well into the future. I might say: remember that name; I suspect you will hear much from them over the coming years.

Because of that success, the government allocated additional resources in this budget—a further \$3 million—to run two rounds of that program this financial year. I am pleased to advise the committee today that applications for the next round will open on 8 August and close on 12 September. I expect, once again, that we will see a significant number of entries. We saw more than 600 entries in the last round and nearly half of those were from regional Queensland. I was greatly impressed by the level of innovation that exists in many regional businesses. As someone who grew up in regional Queensland, I think the nature of regional Queenslanders to be able to figure it out and get on with it and to innovate is an innate strength. That is why I think you see them well represented in the ‘What’s Your Big Idea Queensland?’ campaign. I encourage not only them but also businesses around Queensland to take the opportunity to access that grant into the future.

CHAIR: Talking about regions, how is the government promoting and developing economic opportunities for the many regions that we do have? Are there any new measures that the government is implementing?

Mr FRASER: I thank the chair for the question and for his advocacy not only for his electorate but also for the region as a whole. One of the things that we have done in consolidating the Department of Employment, Economic Development and Innovation is bring together the resources of all the previous economic development agencies across government. That has allowed us to marshal resources

internally, as the director-general was outlining earlier. In that regard we are in a position to allocate internally \$7.5 million over the next five years to support opportunity hubs across regions in Queensland through the infrastructure footprint of the department across the region.

We have trained up 20 staff at this point into business benchmarking activities and already 40 small to medium enterprises are participating in the benchmarking exercise in Cairns, Townsville, Ipswich, Rockhampton, Wide Bay and indeed Toowoomba at this point. We will seek to roll it out into other regions into the future. But this allocation of resources is about focusing on key strengths in key regional areas—the sorts of industries that we know underpin key regional economies like tourism, food processing, and transport and logistics but expanding also into an area which I think is an important focus for the future and that is in business services as we seek to participate in the service economy. We might describe ourselves—I think unfortunately at times—to other people around the world as a resource state. Of course resources are important, but they account for 15 per cent of the state's economy and two per cent of employment. In fact what we have is a modern services based economy, one that is in fact diversified, services based and the parallel of the raging tiger economies of South-East Asia with which we will relate and trade into the future. I think our positioning in that space needs to be the hallmark of the next century.

CHAIR: Just turning to my geographical area, what has the government done in terms of acquiring an industrial estate at Charlton Wellcamp in Toowoomba and how does the minister see it operating into the future?

Mr FRASER: I thank the member for the question and for his interest in the development of this industrial estate. The government first acquired property, around 68 hectares, back in 1998. Since last year we have been undertaking an assessment on a broader area, some nearly 750 hectares. I must pay tribute to the constructive way in which the Toowoomba Regional Council has approached this task and for their support in this process and also for the work that local landholders have undertaken.

Of course there are many people who will express concern about the ability to develop this industrial estate and in fact to promote industries which are otherwise hard to locate. Scare campaigns always occur in these sorts of things. For those people who seek to misrepresent the idea that this is going to be the site for a toxic waste dump or otherwise, I can categorically state that it will not. In fact the types of industries that might be expected into the future in the development of that industrial estate include meat processing; metal foundries; metal product manufacturing; tanneries; abattoirs; fertiliser manufacturing; beverage production; glass, timber and plastic manufacturing. I think these are the sorts of industries that need a space in the state to operate.

This is a location that has shown great potential. We are undertaking the detailed work which I expect would be completed during the second quarter of 2012 on the site's hydrological, geological and environmental constraints. But I want to make this very clear point: we need space, we need places across the state that provide the opportunity for industry to expand. We need to do that in an environmentally sensible way. We need to take account of the interests and concerns of landholders, of local communities, of local councils. What I can say to the people who have an interest in this—either those keen in the industrial development or those perhaps aware of the issue and scared by some of the comments that have been made without a basis in fact—is that you will not see toxic waste dumps at Wellcamp, but what you will see is the potential for many industries to locate there and to provide prosperity for the Toowoomba region and the state into the future.

CHAIR: Thank you. I call the member for Chatsworth.

Mr KILBURN: It was good to hear that the \$55,000 grants for innovation are continuing, Treasurer. In my electorate we have a company that use that grant in conjunction with the university to find a way to more quickly cut and shape magnesium, which has actually led to them getting hundreds of millions of dollars worth of contracts in the aviation industry. So obviously that is an important growth area for the state. Given that, could you speak to us about how the government is facilitating new investment and other technological innovation in the aviation industry through the commitment to the Amberley Aerospace Park?

Mr FRASER: Thank you for the question. I visited a firm in your electorate that had the benefit of government assistance in order to participate in the development of technology and new products for the Joint Strike Fighter project, the sort of cutting-edge technology that many people are not aware is taking place in the suburbs of Brisbane. But some of the most critical componentry of the Joint Strike Fighter is in fact being undertaken in suburban Brisbane in the electorate of Chatsworth and with the assistance of the Queensland government. It is world-class work that is being sourced from the United States defence department procurement because it is at the forefront of what is going on around the world.

In that regard one thing that we have seen over the last decade in Queensland is the fantastic development of the aviation industry. If you look at the Australia TradeCoast incorporating the Brisbane Airport site, you will see the development of an industry that previously did not exist on the sort of scale that we have seen. A key part of the future is making sure that we utilise the opportunity with the

defence changes out at Amberley to secure that as an aerospace park. The government has committed funding through the estate's construction fund to be able to consolidate land out there. We are in negotiations with the defence department about undertaking that in order to develop the ability for an aerospace park to develop at Amberley.

We see that the growth around the corridor of the Australia TradeCoast has been so significant that we need those spaces for the future. We saw the recent success in Queensland based businesses participating in the development of the new helicopter that the defence department has procured, and we see the opportunity to grow this industry here in the south-east corner at Amberley and at the Australia TradeCoast as a key plank for the next decade. It is one that I think captures people's attention and imagination and one which I think will provide not only jobs for people in and around the Ipswich region but more broadly the high-tech, high-skilled jobs like those occurring in your own backyard.

CHAIR: I call the member for Woodridge.

Mrs SCOTT: Treasurer, we should not leave Logan City out of the innovation either, with our Kaon Consulting and their fuse savers. But my question relates to our multicultural community and export awards. What steps has the government taken to encourage and support exporting businesses from Queensland's Chinese, Indian, Italian, French, Korean and African communities?

Mr FRASER: I thank the member for Woodridge for the question. The Premier's export awards will be held once again in October this year, and the government is presently working with many individual communities to promote the export awards and to promote entries from across the board. I personally attended an event after estimates here on Tuesday with the Indian business community, and to briefly remark on the opportunity in that space I think is worthwhile.

Not only do we have a trading relationship with India now where a decade ago India was way down the list in terms of a trading partner for Queensland—these days it is No. 3 and with a rocket—but, more importantly, it is an investment partner of the future. You see not just the idea that we are a customer and shopkeeper but that Indian investment is seeking to make a long-term commitment to the development of Queensland, similar to the way that we have seen investment from other parts of the world assist in our development as a state over the last two generations.

It is important therefore that we work closely with all the communities that you mentioned, and we are holding a dedicated program of events with each of those communities in order to promote the work that is going on. What you see is not just a story based on resources but education, tourism and other service based industries. I think it is important that we work with all of those communities right around the state to make sure that we get those people who are doing fine work in this state exporting and bringing wealth to our state and bringing the prosperity of our state right to the forefront.

Mrs SCOTT: What steps has the government taken to increase revenue and viability in the creative industries such as architecture and fashion?

Mr FRASER: I thank the member for the question because it is important for us to recognise that our export profile is not just about our mercantilist past but in fact it is much more about the ideas that we can export into the future—that is, there is a lot of energy contained in hydrocarbons but there is a lot of prosperity to be gained from the energy of ideas. In areas like architecture and fashion, there is the opportunity for us to meet the market in the tropical economy as a whole brace of people are moving to a middle class of emerging markets in Asia and therefore they will have higher demand, a new demand and new tastes for not only different food stuffs but architecture and fashion, which I think is a key opportunity.

Through the HEAT initiative we have been promoting Queensland architecture around Australia and indeed through emerging markets in particular. We saw them get a higher level of export revenue over the last 12 months, increasing by around \$8 million. A Queensland firm, Populous, is presently designing the Taipei Dome in the middle of Taipei City. It is the same firm that designed the London Olympics stadium and certainly is getting interest from around the region and potentially in Brazil for the World Cup and the Olympics, which I think, given their track record, is an opportunity that is worth noting.

We see our fashion designers also making a strong presence in the marketplace. During a trade mission that I led last year, I was greatly brought up to speed on matters relating to the fashion industry. As members might recall, it was a program originally to be undertaken by the Premier, but I got subbed in and had to become an overnight expert in promoting fashion.

Mr NICHOLLS: Hasn't helped much.

Mr FRASER: Thank you for your gratuitous remarks. But I managed clumsily to present the best face of Queensland along with Easton Pearson. What you have seen since then is them and other fashion designers growing in strength. The fashion festival is in a couple of weeks. I invite not only your good self but, indeed, the shadow Treasurer to come along to the fashion festival and to enjoy.

CHAIR: I call the member for Chatsworth.

Mr KILBURN: What support, Treasurer, has the government provided for the new pharmaceuticals research and manufacturing facility at the PA Hospital? What benefits will this facility provide? Are there any other plans for that program to expand pharmaceutical manufacture throughout Queensland?

Mr FRASER: The BioPharmaceuticals Australia initiative out at the Translational Research Institute is a key investment that the state has undertaken with university partners and indeed with the federal government. We have invested \$7 million with the BPA initiative, along with, as I said, other research partners. We have secured the services of a world-recognised provider, DSM Biologics, to be the operator of that facility.

What this facility will do is provide the platform to commercialise new and innovative pharmaceuticals, pharmaceuticals based on both natural products and synthetic products, to replicate those activities and scale them up into commercially realisable products—that is, we are going to do the original research, the testing and the scale-up and the commercialisation in one location. It will be a nation-leading institute in that regard.

If we look at our position in the region and the opportunity to provide for quality assurance—the scientific rigour that we have, the regulatory environment that we have, the cost of air freight for high-value products, such as pharmaceuticals, into emerging markets—I think that this is a further string to the bow not only in the medical research that is occurring here in Queensland, and in particular at research institutes in Brisbane and like that which I hope opened at James Cook University in Cairns yesterday, but to translate that research and that front-line work into commercial products that represent, I think, the high-grade opportunities of the future. So this is a story that needs to be told and it is one which I think will form a key wellspring of prosperity into the future.

CHAIR: I call the member for Clayfield.

Mr SEENEY: Before we go to the member for Clayfield, I have a couple of questions regarding the role of the Coordinator-General, Treasurer. I note in the budget documents that it says that, since February 2011, the Coordinator-General functions have been transferred to DEEDI. It also says in that paragraph that the Coordinator-General has a direct role in overseeing decisions related to integrated infrastructure and land planning. I take it from that, Treasurer, that within DEEDI the Coordinator-General does not have a decision-making role per se—that it has a role in overseeing decisions. Can you explain that in the context of the more traditional role of the Coordinator-General?

Mr FRASER: Let me say this: the Coordinator-General is an engineer of some 37 years professional experience and he is my kind of guy—he is a decision maker. He is someone who likes to make decisions, like I do. And he makes a lot of decisions. He gives a direct report to me. Indeed, at the time of the arrangements of the reshuffle that occurred in February, I saw the natural home for a decision-making, economic development driving Coordinator-General as being within the Department of Employment, Economic Development and Innovation.

Mr SEENEY: Why is that not reflected in the budget documents?

Mr FRASER: I think for you to use one word to advance this is bordering on sophistry. I think the reality is that the Coordinator-General makes decisions independently all the time. He makes them statutorily under the State Development and Public Works Organisation Act. Those are decisions which come in for a lot of criticisms from people, from members of your team and, indeed, from the shadow Treasurer. So he is a decision maker but he is an engineer who likes to get on with making decisions, and I think he is doing a fine job.

Mr SEENEY: Mr Chairman, can I then direct a question to the Coordinator-General and ask: since the change in February 2011, what coordination role have you played within the broader DEEDI department that would justify the 'coordinator' part of your title? What coordination role have you played in the department since February 2011?

Mr FRASER: I hope you have a lot of time.

Mr SEENEY: Well, you had the opportunity to answer the question, Treasurer.

Mr FRASER: I just did.

Mr SEENEY: I asked you about the Coordinator-General's role. Once again, you seek to abuse—

CHAIR: Order! The Coordinator-General has been asked a question. We will enable him to answer it.

Mr SEENEY: I am asking the Coordinator-General: what have you done since 2011 that justifies that Coordinator-General role?

Mr Davies: Thank you for the question. I am very happy to answer that. We have 25 major projects on the table, as the Treasurer mentioned earlier, with a \$61 billion price tag attached to that. As for what I have done since February when I joined in this role, one of my first tasks was actually to sign

off on the approval of the resort at Hummock Hill, which has made the press recently, and I stand by that decision. That was not an easy decision. It had 57 conditions attached to it. I considered that very carefully before putting it out there for approval, and it is now still with the federal government for reassessment of course. That was my first baptism into the role.

The example I would use that is really current is the Galilee Basin. There is \$35 billion worth of mine potential, with several rail lines crisscrossing potentially the state to get to either Abbot Point or Dudgeon. My role in that, as I see it, is to make sure that the corridor that traverses the state is done in a collaborative way. In that regard, two weeks ago I made the time to get up to see affected landholders in Clermont at a public meeting with over 100 landholders. I took my staff with me and I went out of my way to make sure that they really understood what the issues are with rail lines crossing their floodplain.

Mr SEENEY: Forgive me for interrupting, but that is a great example of where coordination was non-existent. You are coming to that particular issue years too late to provide a coordinating role.

Mr Davies: With respect, I cannot—

Mr SEENEY: Wouldn't the role of Coordinator-General have been to coordinate those rail corridors 18 months or two years ago, rather than coming to it now when it has become a public issue? This goes to the crux of my question, Minister.

Mr FRASER: I am happy for the Coordinator-General to answer but I will answer—

Mr SEENEY: My question is about the role of the Coordinator-General and why that role has not been fulfilled previously in some other department. Now that the Coordinator-General is in your department, I am looking for an assurance that that coordination role is once again going to be given to the Coordinator-General.

Mr FRASER: Let me be clear about it. The original negotiations with just those parties you are talking about in terms of the Galilee have made it clear that the government expected third-party access and coordination to occur, but the government is also not in the process of picking winners so we made sure that that process ran its due course. What I expect you will see is that, ultimately, the decisions that are made here reflect an overall balance between economic development and the environmental concerns that go with that, as well as the interests of each proponent.

Let us be very clear about the opportunity that is here with the Coordinator-General. For anyone who wants to suggest that the Coordinator-General—either this one or the previous office holder or the one before that—has not been doing their job, I stand with you to say, 'Look at the LNG industry.' Plenty of people can knock and say that governments get in the way of development, but you see a whole new sunrise industry that was unimaginable 10 years ago. In fact, it was unimaginable to you in the parliament when you spoke against the gas scheme when the government introduced it. Five years ago it was unbankable—

Mr SEENEY: That is a cheap shot.

Mr FRASER: No, it is true, and you also declared—

Mr SEENEY: You were talking about gas from PNG at that stage. You were still in short pants at high school.

CHAIR: Order! We will be out of time.

Mr SEENEY: When Jim Elder sat over there—

Mr FRASER: You also declared at the time that it was going to be the end of the coal industry.

CHAIR: Order! We will be out of time shortly so perhaps we can move on to the next question.

Mr SEENEY: No, I would like to finalise this Galilee Basin issue, because it is a great example that illustrates the role of the Coordinator-General. Can we use it as an example, then, and go back to the Coordinator-General. How do you envisage your position being used now to coordinate the development of a single rail corridor for that Galilee Basin?

Mr Davies: I am happy to answer that. I see my role as a dual function. I am a facilitator as well as a regulator, so I have to be careful that I am not an advocate for the coal industry because I will end up regulating it as Coordinator-General when I lay down conditions.

Right now, there are a variety of players in the Galilee—the Hancock and Waratah; the Adani, who have a different outlook on their business. Having reserved the coal, they want to get it to port and they have a power station waiting for it in India. My job right now is to work with all of those companies to find a way through the fog, to see if there is a collaborative way of getting coal from the basin to market in a sensible way. That ideally relates to a single corridor if possible. If not, if all else fails, I do have some tools available to me as Coordinator-General with things like state development areas that are out there if I need them.

As the Treasurer said, most likely the market will prevail. The first one to get up and build a line will set the bar for others to consider joining it. That is where we are right now. It is a very complicated, very tense commercial situation that those parties are facing. It is not for me to interfere in the market at this stage, but I have the ability later if things get out of hand.

Mr NICHOLLS: My question is to the Treasurer in relation to Trade Queensland. Treasurer, how many trade commissioners and agents-general have been appointed for terms of five years in the past?

Mr FRASER: I thank the shadow Treasurer for the question. In fact, Dermot McManus was appointed for a five-year term a couple of agents-general ago. Other people have served longer in the term. John Dawson served six years, and in fact the Hon. Sir Wallace Rae served from 1974 to 1980, a man who—

Mr NICHOLLS: On their initial appointment or renewed?

Mr FRASER: Mr McManus was appointed on a five-year term. Let me make this point very clearly—

Mr NICHOLLS: No, that is all right. I understand.

Mr FRASER: Most senior public servants around Australia are appointed on five-year terms, whether by Labor or Liberal governments. Secondly, a number of CEOs in the government are appointed on five-year terms. The Under-Treasurer is on a five-year term; the Director-General of the Department of Justice and Attorney-General is on a five-year term; the CEO of the Queensland Reconstruction Authority, previously the Coordinator-General, is on a five-year term, as is the Director-General of the Department of Public Works. This is based on the reality that the marketplace for senior public servants around Australia in other jurisdictions now has generally a five-year standard taking place. The appointment of Mr Smith in those circumstances, as an existing public servant, is completely in line with that.

Mr NICHOLLS: And in fact Mr Smith was an existing public servant and he left that role in order to take this role, so there was actually no problem with his term as it was in any event as Director-General of Premier and Cabinet, was there?

Mr FRASER: No, but what obviously was asked of Mr Smith was that he pack up his family, and he had an elderly mother in those circumstances, and he wanted to make the commitment to do the job. It needs to be recognised that Mr Smith was previously appointed to this role back in 2006. He is a former director-general of the department of trade. He has led many trade missions, he conducted the review of the office of the Agent-General back in 2006, and I think he is eminently qualified into the position.

Any concerns here about that appointment only go to the notion that the LNP would seek to remove him for any reason other than those which are provided in the act. For the benefit of the committee, I want to say that Mr Smith can be removed on the following three grounds: one, that he is guilty of misbehaviour; two, that he is incapable of properly discharging his duties; or, three, that he refuses or neglects to carry out any direction of the Governor in Council given pursuant to the act. In fact, agents-general in the past have been so removed. Let us be clear: the only thing that is not listed there is 'four, that he previously worked for a Labor government'.

Mr NICHOLLS: No, let us be clear about it—

Mr FRASER: I think the idea that you are advancing here is one that goes directly to the notion—

Mr NICHOLLS: Let us be clear about it: to quote Shakespeare, you are protesting too much to worry about what is going on.

CHAIR: Order! The minister is entitled to answer the question.

Mr NICHOLLS: Mr Chair, he is entitled to answer but he is not entitled to go down a completely strange route where he lives in a political fantasy land about his dreams of the future.

CHAIR: No, that is the risk you run when you ask a question.

Mr FRASER: I think you are the one who is imagining what it is going to be like to be the Treasurer—

Mr NICHOLLS: It might be his nightmare, I suspect, rather than his dream.

CHAIR: Order! Perhaps we will have the next question.

Mr SEENEY: You are spending an awful lot of time talking about what we are going to do.

Mr FRASER: You might spend some time putting out some policies about what you are going to do.

Mr NICHOLLS: If I can go back to the Treasurer, then. So Mr Smith carried out a review of the operations of Trade Queensland in 2006, I think you said, and we then had some appointments of people in 2008. I read from the press release at the time which states—

In line with existing arrangements the Trade and Investment Commissioners will be appointed for three year contracts and the Special Representatives for two year contracts. Appointees are expected to take up their positions between April and June.

So after Mr Smith reviewed the operations of Trade Queensland he obviously did not make a recommendation to extend the terms of trade commissioners and agents-general and now you are saying that it is appropriate to appoint him for five years. That is one part of the question. What are the KPIs that he will be expected to answer to in relation to his role as a trade commissioner?

Mr FRASER: As I said, it is completely normal across the public sector for a number of senior executive positions to be on five-year terms, and any suggestion to imply the other way—

Mr NICHOLLS: But it was not normal the last time you appointed a round of trade commissioners.

Mr FRASER: I am happy to answer your question.

CHAIR: Order!

Mr FRASER: Let us be very clear about it: I think this line of questioning is being pursued because the LNP is busy measuring up the curtains and looking at the hit list of public servants to go after—

Mr NICHOLLS: No, I think we are looking at the normal process of the appointment of people—

Mr FRASER: You refused to say that you would keep the Under Treasurer in his position. You are implying here that—

Mr NICHOLLS: Because you did not do it for Mr Rodwell. You have not done it for anyone else.

CHAIR: Order! Member for Clayfield. There is a time for a question and there is a time for an answer. This is the time for the answer.

Mr SEENEY: Mr Chair—

CHAIR: No. Under standing orders, the minister is entitled to answer in a way that he thinks fit and that is what he is doing.

Mr FRASER: Secondly, what we see going on here is that so balefully unimaginative are the opposition that they are already drawing up the hit list, and so unimaginative are they that they have got old 'Whispering' Wendy and Mike Evans on the job. I presume the new vice-president, Santo, will be out there observing the gazette, making sure that he writes down everybody who is being appointed—

Mr NICHOLLS: Are you able to tell us, then, why you provided five-year sinecure—

Mr FRASER: Rather than measuring up the curtains and setting up—

Mr NICHOLLS: Even your former Premier—

Mr FRASER: Rather than measuring up the curtains and setting up the hit list—

Mr NICHOLLS: One of your best mates, the fellow who brought you on in the world—

CHAIR: Order! Member for Clayfield!

Mr FRASER: I invite you to put some policies out. Let us be clear about it: every trade commissioner has very clear KPIs. Each office has very clear KPIs. In fact, the office that Mr Smith is taking over from 1 July secured, I think from memory, \$172 million worth of exports last financial year, and I am happy for him to be judged on the performance that he makes as Agent-General.

Mr NICHOLLS: Will you be releasing his KPIs to the public for examination?

Mr FRASER: I am happy to provide whatever information about those KPIs to the parliament. I see no problem with that because we report on it, and that is the way we make—

Mr NICHOLLS: So you will be releasing his KPIs out there?

Mr FRASER: Of course. I have no problem.

Mr NICHOLLS: What are those KPIs, Treasurer?

Mr FRASER: I am happy to take it on notice and report it to the parliament, but to go through it in detail—

Mr NICHOLLS: You will report back to the committee?

Mr FRASER: I am happy to take it as a question on notice.

Mr NICHOLLS: Thank you.

Mr SEENEY: Treasurer, will you rule out making any more five-year contracts between now and the election for Labor mates and former Labor staffers? Will you rule out any more five-year contracts?

Mr FRASER: What a scurrilous suggestion which is beneath even you, for you to reduce this debate down to that level. What you object to here is the notion that all of you arrogantly think you have already won the next election—

Mr SEENEY: I know who has been reducing the debate down this morning.

Mr FRASER: I just put the simple point of logic to you, Leader of the Opposition: if you won and Mr Smith was appointed on a three-year term, that would cover off the term that you are talking about—so arrogant are you that you are not even just assuming one election victory but you are assuming two election victories. I think you have got a long way to go before you win the next election because the people of Queensland would actually like to see someone put forward a policy rather than a political slur, put forward a policy rather than an answer of rhetoric.

Mr SEENEY: So the answer is no? Can I take it the answer is no?

Mr FRASER: I am happy to appoint people on merit every day of the week, just as I remind you we appointed Bob Quinn as a special trade representative and just as we appointed Julie Boyd as a special trade representative. In fact, we reappointed her each time after she failed to win election as an LNP endorsed candidate or you refused to endorse her.

Mr NICHOLLS: Only appointed for two years.

Mr FRASER: Just as we have appointed Joan Sheldon, two positions. All of those people have served this state of Queensland well. I think the idea that is advanced here—that anyone who has participated in public life in the past is not able to make a contribution to public life in the future—is about gross base politics and nothing to do with the interests of the state.

Mr SEENEY: That was not the suggestion at all. What I asked was whether you have ruled out signing any more five-year contracts between now and the election.

Mr FRASER: No, I will not rule out signing five-year contracts. There are presently positions in the marketplace for the director-general of Health and there will be into the future for the Department of Community Safety, where the director-general has announced his retirement. I expect that an option in those recruitment processes will be for five-year terms, just as they are in each and every other state. Perhaps I might ask you—

Mr NICHOLLS: No, we are asking the questions.

Mr FRASER: Should you be in government, will you also appoint people on five-year terms?

Mr SEENEY: You focus on what your government is doing.

Mr FRASER: This is a parliament and I am entitled for the opposition to be able to put forward a position.

CHAIR: We have a minute and a half for the next question and answer.

Mr NICHOLLS: My question is to Mr Fletcher, the director-general. Mr Fletcher, can you detail why the Trade and Investment Queensland division and your department chose to sign a long-term lease in December 2009 while relocation of the office to South America was under active consideration? What is the term of that lease? What will be the cost to the Queensland taxpayer of entering into that agreement?

CHAIR: Mr Fletcher, could you restrict your answer to one minute, please.

Mr Fletcher: Gosh, okay. I shall be very brief, then. The key point is the chronology in responding to the question. The chronology shows that the decision to look at extending the lease was fundamentally taken before the government concluded that it would be right to realign and move the resources that Trade and Investment Queensland has in both North and South America—

Mr NICHOLLS: Was that under consideration—not concluded, but under consideration?

Mr Fletcher: I am sorry? Was—

Mr NICHOLLS: Was the relocation under consideration at the time the new lease was being entered into?

Mr Fletcher: Not as far as I have seen from the record.

Mr NICHOLLS: It was not under consideration?

Mr Fletcher: The reason I answer it carefully is that the period actually wraps over the point where I personally arrived in the job. So from the files I have seen it was not under consideration. The files clearly show a vigorous debate within government about that question later on, but not at the time the lease extension was being considered.

Mr NICHOLLS: And the term of the new lease?

Mr Fletcher: It is 10 years. Yes, it is 10 years.

Mr NICHOLLS: And the final ultimate cost to the taxpayer?

Mr Fletcher: I do not know the answer to that question as the final negotiations have yet to be concluded.

CHAIR: The time has expired.

Mr FRASER: Mr Chairman, with your indulgence and that of the committee, I would seek to answer the question that I sought to take on notice earlier—that is, the KPIs for not only Mr Smith but indeed all trade commissioners. They are (1) the estimated value of additional capital attracted to Queensland; (2) the estimated value of exports generated by client firms assisted; (3) structured business capacity-building programs and activities delivered; (4) number of individual participants in structured development activities; (5) number of significant one-on-one business consultations undertaken; (6) businesses involved in DEEDI facilitated alliances, partnerships, industry networks, supply chains, clusters and so forth; (7) total number of client firms provided with export assistance; and, finally, number of targeted and qualified leads for Queensland businesses generated through DEEDI

overseas trade missions and other trade and export development activities. All dollar-value outcomes by clients assisted are substantiated by export impact forms signed and endorsed by the exporter, acknowledging the assistance provided by Trade and Investment Queensland.

CHAIR: Thank you. The time allocated for the consideration of the estimates of the proposed expenditure for the relevant organisational units within the portfolio of the Treasurer and Minister for State Development and Trade has expired. On behalf of the committee, Treasurer, I thank you and your departmental officers for your attendance. The committee will now break for morning tea. The hearing will resume at 10.45. The transcript of the hearing thus far will be available on the Hansard page of the parliament's website at approximately 12.30 pm. Thank you.

Proceedings suspended from 10.31 am 10.46 am

ESTIMATES—INDUSTRY, EDUCATION, TRAINING AND INDUSTRIAL RELATIONS COMMITTEE—TOURISM, RETAIL, MANUFACTURING AND SMALL BUSINESS

In Attendance

Hon. JH Jarratt, Minister for Tourism, Manufacturing and Small Business

Department of Employment, Economic Development and Innovation

Mr I Fletcher, Director-General

Mr M Bermingham, Associate Director-General, Employment and Economic Development

Mr P Martyn, Deputy Director-General, Tourism

Tourism Queensland

Mr A Hayes, Chief Executive Officer

Ms M Clarke, Executive Director, Business Performance and Planning



CHAIR: The hearing of the Industry, Education, Training and Industrial Relations Committee is now resumed. On behalf of the committee I welcome the Minister for Tourism, Manufacturing and Small Business, departmental officers and members of the public to the hearing. I am Kerry Shine, the member for Toowoomba North and chair of the committee. Mr Jeff Seeney, the member for Callide, is the deputy chair. The other members are Mrs Desley Scott MP, the member for Woodridge; Dr Bruce Flegg MP, the member for Moggill; Mrs Jann Stuckey MP, the member for Currumbin; and Mr Steve Kilburn MP, the member for Chatsworth. The committee will now examine the portfolio of the Minister for Tourism, Manufacturing and Small Business.

I remind all of those participating in the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard, I remind members of the public that under standing orders the public may be admitted to or excluded from the hearing at the discretion of the committee. I ask that mobile phones or pagers be either switched off or switched to silent mode. I remind members that recent changes to standing orders now provide that directors-general and those chief executive officers set out in schedule 7 of standing orders may be questioned by the committee. For the benefit of Hansard, I ask departmental officers to identify themselves before answering a question. I now declare the proposed expenditure for the organisational units within the portfolio of the Minister for Tourism, Manufacturing and Small Business open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, do you wish to make an opening statement? Could I remind you that there is a time limit of three minutes for such a statement.

Ms JARRATT: Yes, I do please.

CHAIR: Thank you.

Ms JARRATT: Mr Chairman, as I have been out around the state in recent times visiting tourism operators and destinations I have detected the growth of a quiet optimism. One of the drivers of this has been our jointly funded \$12 million tourism recovery package and its centrepiece, the Nothing Beats Queensland—Where Australia Shines campaign. While it will be some time before we will see the full fruits of our labour reflected in statistics, STR Global data for Easter has already revealed some pleasing results. For example, Brisbane occupancy rates during the Easter period remained stable. Operators on the Gold Coast reported a seven per cent increase in occupancy rates compared to the Easter last year, and operators on the Sunshine Coast and in Tropical North Queensland reported a 12 per cent increase in visitation.

Soon we will be unveiling the next national advertising campaign, but today I am delighted to announce some new initiatives that I believe will keep the momentum going. The first is a three-year pilot program to encourage and assist school students to travel inland for excursions to learn about Queensland's amazing outback, including its history and culture, by experiencing it firsthand. This is a new initiative that will see young Queenslanders in years 6 and 7 exploring their home state, with subsidies available of between \$50 and \$130 per student. Not only will students learn about the outback way of life, past and present, but I trust the experiences they enjoy on their school excursions will ignite a lifelong passion for travelling throughout regional Queensland. This initiative is a partnership between government departments and agencies and I would like to place on record my thanks to the Outback Queensland Tourism Association for its contribution and support.

Today I can announce that on top of our increased focus on red-tape reduction for the business sector we will be rolling out a new \$1 million Tourism Towards 2020 Capability Program. The components of this program are currently being finalised, but I am pleased to advise the committee that the initiatives will create an improved business environment and help businesses meet the challenges they face. Our aim includes getting more tourism operators internet savvy so they can take online bookings and payments, which are critical in this era of global online shopping. Another important facet of 2020 will be benchmarking, with operators able to tap into the expertise of a specialist to ensure that their operations and our wonderful tourism destinations keep up with the world's best, because Queensland is and will continue to be where Australia shines.

CHAIR: Thank you. The first period of questioning is allocated to non-government members. I call the member for Currumbin.

Mrs STUCKEY: I do fear that we are off to a bit of rocky start already though, with government question on notice No. 1 asking for the status of funding tourism and the minister began her answer talking about events yet in non-government question on notice No. 4 I am reminded that events fall under the portfolio responsibilities of the Premier and the Minister for Reconstruction. I really hope that games like this will not be continuing.

CHAIR: You have to ask questions in this period, not make statements. So could that be the last statement and could you ask your question please.

Mrs STUCKEY: Thank you, Mr Chair. With the minimal one hour we have devoted to this important portfolio, I refer to the SDS at page 2-70 which contains the overview where Tourism Queensland gives the impression that it runs tourism in Queensland, with the actual tourism industry being a subordinated group operating under direction through offices spread throughout Queensland. Minister, is this the government's view and, if so, what level of responsibility does it take for the performance of Queensland's tourism industry? Minister, does the buck stop with you or with TQ?

Ms JARRATT: I thank the honourable member for the question, and I think the confusion is entirely on your part this morning. You would understand that as a government we have a holistic approach to the funding of tourism, and I will go firstly to your comments about the events funding and whether or not that is support for a tourism industry. Well, of course it is. The government provides funding for Tourism Queensland to undertake several roles, including the promotion of our destinations across the state and to work with the tourism industry and businesses to build their capability, but of course there is a lot more than that to developing a sustainable tourism industry in a state like Queensland, and events are a very important part of that. So the government very proudly through Events Queensland puts money—and I am pleased to say an increase of \$83 million of funding—towards events in Queensland across the next four years. But we have a number of other roles and positions that we fund, including our increase to the national park estate, because of course that is very important for people who want to come to explore our beautiful natural environment in Queensland. Our park rangers who attend to those national parks are also delivering a very important service for tourism in Queensland. And of course it does not stop there. Training in our TAFE systems for people who work in our industry—all of these things—are part of the government's support for the tourism industry.

Mrs STUCKEY: I am quite aware of—

Ms JARRATT: You did make the comment and I thought I should clarify.

Mrs STUCKEY: I made a comment, Minister, that you were fobbing me off when I mentioned the word 'events' and yet for a government question you responded in full quite happily. Would you please answer my question whether the buck stops with you or TQ?

Ms JARRATT: I am answering your question to say that the Queensland government has a holistic approach to the funding of tourism, and part of that is through Tourism Queensland.

Mrs STUCKEY: Are you part of that?

Ms JARRATT: It is our first and foremost creative organisation for tourism in the state. This is a statutory organisation with an independent board that does report through that board and its chair to me.

Mrs STUCKEY: So actually, Minister, that means you have no responsibility? I was asking if you have responsibility for Tourism Queensland.

Ms JARRATT: As the Minister for Tourism in Queensland, Tourism Queensland ultimately through its chair and through the board reports to me as the minister.

Mrs STUCKEY: Thank you, Minister. Would you confirm that the moneys allocated for supplies and services in the SDS at page 2-84 were used to write-off a deficit of \$5.3 million as per reference note 4 of the income statement from a previous year or years? In other words, Minister, did your department overspend the grant allocation in previous years by \$5.3 million and are writing it off this year?

Ms JARRATT: Thank you for that question, too, and there is a very simple explanation to the amount that you see before you in the SDS. This is in fact moneys that were delivered to the budget in a previous year that were held over for purposes that I will shortly ask Michelle Clarke, who is the Executive Director of Business Performance and Planning, to answer. But, simply speaking, it is money

that was held over from a previous budget expended in that particular financial year and so as an accounting principle was recorded in the way it has been. But perhaps I might just ask Michelle Clarke to give a more fulsome answer.

Ms Clarke: The SDS does show that deficit of \$5.337 million. I will go through the explanation for it, and there are some accounting terminologies in there. The estimated actual operating result is a simple timing difference, as the minister referred to, between grant receipts and expenditure. It is not an overspend of cash. The financial reports are prepared in accordance with accounting standards and they do comply with the Treasurer's minimum reporting requirements.

I will now turn to a technical explanation of how that works. What it means is Tourism Queensland recognises its grants in full when received. The requirements to record grants were part of accounting standard AASB 1004 contributions and it introduced surpluses and deficits to Tourism Queensland's financial statements as of the 2009-10 financial year. In certain instances specific initiative grants are to cover expenditure in more than one financial year. The external audit noted that it has implications in terms of operating result volatility due to those timing differences, but applying the accounting standard and Queensland Audit Office requirements produced a result for the 2009-10 financial year of an accumulated surplus of \$5.88 million, and I refer you to page 42 of our annual report from last year that shows the \$5.88 million and it is the subsequent expenditure of that in the following year that brings up the difference. The components of that are related to airline agreements, for example, which operate on a calendar year. It also includes grant programs administered for which there was some delay. In each case the funds were committed to specific programs and agreements. It also reflected in the cash and cash equivalents on the same page of the annual report.

Mrs STUCKEY: In 2010-11 there was approximately an \$18 million overspend, according to the SDS at page 2-81 under the heading of 'Supplies and services'. By reading the notes to the income statement we understand that about \$5 million was spent on flood relief and another \$5.3 million is identified in item 4, as we have just discussed, but that still leaves about \$8 million and that is more than 10 per cent of the entire Tourism budget unaccounted for. Where did this money go?

Ms JARRATT: Thank you for that question. You are quite right. You have identified clearly some of the different reasons for that difference in the figures, including the money spent on the flood and cyclone recovery campaign as well some interactions with Tourism Australia. Some \$2.9 million, I think, is accounted for with that partnership. There are other grants included in that. I will go through them exactly. I have mentioned the tourism assistance package—some \$5.9 million from the Queensland government to that particular campaign. With the tourism assistance package, as I mentioned, with Tourism Australia there is a marketing agreement of \$2.9 million. There is \$2.8 million for cooperative marketing revenue. You will understand that this is a little difficult to predict in advance and we have been very fortunate to have had an increase in the cooperative marketing revenue that has come through to Tourism Queensland in the financial year. There are some prior-year funding commitments—the ones we have spoken of—of \$5.3 million as well as an extra \$0.1 million there for other grants. So that is how we make the difference in those figures.

Mrs STUCKEY: So why is that not clearly explained in the budget documents? Why is it completely omitted?

Ms JARRATT: I think if you go to the footnotes and follow through to the annual plan you can clearly find that information. It is publicly available.

Mrs STUCKEY: We failed to find that despite looking. It is not clearly identified as that is where that funding is.

Ms JARRATT: Perhaps that is not our problem.

Mrs STUCKEY: If we look at budgets and actual spends for supplies and services between 2008-09 and 2010-11, they show a pattern of overspending in supplies and services that totals \$41 million over a three-year period. So why does the government include these budget lines if they are never met? If TQ spent \$81.116 million in 2010, why is the budget only \$64.103 million this coming year? Or does it not matter what is put in the budget lines; it is just smoke and mirrors?

Ms JARRATT: I have already explained to you the reason for some of those differences. We did not predict a flood and cyclone event when the budget was completed midway through last year. So obviously there are incidents that occur and funding that is brought into the budget through cooperative marketing and other forms of income that are simply not able to be predicted at the time. We are always, of course, obliged to record them in the budget actual figures. I do not know if there is any further explanation.

Ms Clarke: I can add that the figures—the \$81 million, the estimated actuals—certainly include a lot of the activities that the minister was referring to then. It is a forecast for how the year ends. Those activities are not planned for the next financial year.

Mrs STUCKEY: So here we are, we are meant to be examining and investigating a budget and it can just move that fluidly. So it really is not worth much of the paper that it is written on if there is going to be that much discrepancy and we are going to have changes.

CHAIR: The member is really going to have to ask a question rather than make statements.

Mrs STUCKEY: I would like to move on. At a time when tourism needs a boost, surely it is important to ensure high standards. So why can potential customers not find out if an operator has taken the pledge? Why is this list of operators who are offering experiences that surprise and delight visitors by giving level 11 service confidential? Why the secrecy? After all, the pledge is on display at the establishment.

Ms JARRATT: Thank you for that question. Of course, I refute your inference that there is any deliberate secrecy around this. The pledge, for committee members' information, was part of a suite of initiatives developed in the wake of the devastating floods and cyclones and the whole perception that went around the country and the world that Queensland had closed its doors to tourists, that we were not open.

We undertook with the \$12 million joint funding initiative, part of which was the Nothing Beats Queensland campaign and part of which was the industry capability development initiatives, to do a number of things. One was, of course, to reverse that perception about whether or not we were indeed open for business. But the other part of this was to work with our industry and our operators who had taken a bit of a battering. I do not know if you are engaged with the industry at all, but you would know that there were a lot of tourism operators who, whether or not they were physically impacted by floods or cyclones, were doing it pretty tough, were feeling a little down and needed a hand up at this time. So it was not just about an advertising campaign; this was about reaching out to our tourism operators in a way that gave them the confidence and the motivation to put their heads up above the trenches again and keep fighting on. It was a very difficult time, and the pledge was one of the initiatives that we used to say to operators—

Mrs STUCKEY: Why the secrecy?

Ms JARRATT:—'Sign this and put it in your window.'

Mrs STUCKEY: Why the secrecy?

Ms JARRATT: Excuse me, I am answering your question—'Put this in your window so the world can see as they go past.' This is how secret it is. We encouraged these operators to put this pledge in the window, on the walls of their businesses, so that everyone who came into that business could see for themselves that this business was not just open—they knew that already—but that they were making a commitment, despite the trauma that the industry had suffered, to ramp up their level of service, to give the very best experience so that people went away with the best memories possible. This is the pledge. This is how secret it is. Here it is. It is in windows, on walls, in businesses and on boats all around this state. I can tell you that around 800 of our operators signed on to the pledge during those first few weeks.

Mrs STUCKEY: Seven hundred and seventy-nine.

Ms JARRATT: In addition—to get to the nexus of your question, I guess—when we established this pledge we were doing it for the benefit of operators, not for someone who might like to go online and have a look at how many people had signed up. So it was not a case of saying, 'Will you sign this waiver so that we can put your name up on our website?' It really was not about gathering statistics; it was about assisting the industry.

Mrs STUCKEY: Thank you. As one who worked in this industry for many years, dedicated to service standards, I have to say that I am quite appalled at the way this whole program has been structured.

CHAIR: Member, you must ask the question, please.

Mrs STUCKEY: Of the 779 operators who have signed up apparently to this pledge, I would like to know from the minister what protection people have from unscrupulous operators who are passing off as legitimate tourism operators? I understand very much the need to stand up for people, but if the public is not privy to the list of operators who have signed the pledge—

CHAIR: You really must ask the question.

Mrs STUCKEY: How is the standard of service—

CHAIR: But you are not really asking the question—

Mrs STUCKEY: How is the standard of service promised in the pledge being monitored or measured?

Ms JARRATT: Let me answer your question in this way. I have already explained that the pledge was about a point in time of raising morale in industry as much as it was about getting the message out about being open.

Mrs STUCKEY: Not about accreditation.

Ms JARRATT: I am sorry?

CHAIR: The minister will answer the question.

Ms JARRATT: Thank you very much. Indeed, it leads on now to another initiative that is open to operators and it is about accreditation of a business through the federal government's TQUAL program. What we encourage businesses to do, if they have signed the pledge that they are happy to make that commitment to increased service standards, is have a look at becoming accredited now through the TQUAL system, a nationally recognised accreditation system that will say to the world that this business, these operators, have been accredited on a number of levels and are providing world-class standards through their business.

The National Tourism Accreditation Framework that I am speaking of is all about tourism businesses recognising, committing to and adhering to national operating standards so that people can be assured that they are dealing with a recognised operator. This government is providing funding with a dedicated officer, situated within the Queensland Tourism Industry Council, working with industry now to take what we started with the pledge that step further through to a national framework of accreditation that includes service standards. We are working hard, with the assistance of QTIC, to accelerate that program, working with individual businesses to accelerate the uptake of that national framework.

Mrs STUCKEY: What accreditation do you need to sign the pledge? Have you tried to do it, because I have and I could sign on very easily.

Ms JARRATT: I feel a little sorry that you are so dismissive of something that asked operators to sign their name to a document that says—

We, the members of the tourism industry, are united in our determination to show that Nothing Beats Queensland.

It is a pledge as part of an industry that they are going to pull out all the stops to thank visitors for their support by giving them the best holiday experience possible. Perhaps we will do up a special pledge for members of parliament so that you can sign on to that one. I am really disappointed that you would be so disparaging of an initiative that was well received by industry, that operators have signed on to, that gives recognition to the fact that 'we have been through a tough time but we are putting our hands up to give you the best service possible'.

Mrs STUCKEY: Thank you, Minister. And nowhere—nowhere—does anything about that service say that they need accreditation. I refer to the delivery of extensive domestic marketing activity, at page 2-78 of the SDS. I was disturbed to learn that the minister was out spruiking cheap holiday deals that did not exist. No amount of searching the TQ website or phoning the named resorts, as potential customers tried to do, found these deals to be true. So apart from being accused of favouring one product over another, the minister was spreading misleading information. If she was, in fact, a real travel agent she would face disciplinary action.

CHAIR: The honourable member has been warned several times about not making statements as opposed to asking questions. You may have them already prepared—I understand that—but, please, this is the time for questions, not for lengthy preambles to questions.

Mrs STUCKEY: Thank you. Has the minister apologised to those establishments whose super-cheap deal she reported incorrectly? Has she said sorry for harming their reputations and that of accredited travel agents?

Ms JARRATT: Thank you for that question. Let me firstly say that the information that you refer to was part of a story in the *Courier-Mail*, not part of any media release that was put out by my office. There was a well-intentioned story in the *Courier-Mail* on 11 June to promote some of the great deals and the great operators across the state who were doing their bit to revive the Queensland tourism industry by putting some really good deals on the table, typically along the lines of 'pay three, stay four'.

Mrs STUCKEY: I tried to book them, Minister.

Ms JARRATT: These were incredibly good deals. In working the story for the *Courier-Mail*, unfortunately it was represented in a way that was not similar or identical to the way these deals were quoted on the website, and further, to complicate that, unfortunately there was an incorrect website quoted. The deals did exist on the flightcentre.com.au website but not the queenslandtourism.com.au site that was quoted in that story. You will know that the *Courier-Mail* has printed a public apology to that and I as well have ensured that all operators have been contacted—

Mrs STUCKEY: So why did you put out a release?

Ms JARRATT: All operators have been contacted and assured that we are here to work with them and to promote the industry

Mrs STUCKEY: Minister, subsequent to that you put out a release and then you withdrew it.

Ms JARRATT: No.

Mrs STUCKEY: Subsequent to that you put out a release spruiking deals.

CHAIR: Order! You must allow the minister to answer your question.

Mrs STUCKEY: It is misleading.

Ms JARRATT: I stand by the release that was put out. There was no misleading information in that. We took it down, however, because—

Mrs STUCKEY: It was misleading.

Ms JARRATT: No, it was not misleading. The story in the *Courier-Mail* contained some information that, in fact, was not identical to the deals that were offered on the website, but the release that was put out did not. However, we removed that release so that we could move on into a more positive area and continue to promote in a positive way.

CHAIR: We will move on to government questions. I will ask the first one. The state government is assisting manufacturers to increase sales, investment, exports and productivity by delivering performance programs in partnership with QMI Solutions. Could you inform the committee what support has been provided by DEEDI to small and medium sized manufacturing companies in Toowoomba?

Ms JARRATT: Thank you, Mr Chair, for your question because, as you know as a local member in the Toowoomba area, Toowoomba is home to many manufacturing companies, large and small. In fact, it is part of the fabric of Toowoomba. Many of those manufacturing companies have been there for many years. Others have come more recently. There is no doubt that they, too, as a result of the events earlier this year, have encountered some difficult times.

I am pleased to say that DEEDI, the Department of Employment, Economic Development and Innovation, has continued to work really closely with the manufacturers through QMI Solutions and Enterprise Connect to assist those manufacturers who were impacted, whether it be directly or indirectly, by this year's floods. Six companies from Toowoomba, Grantham, Dalby and Chinchilla received direct recovery assistance as a result of that relationship.

In addition to this, targeted manufacturing support through DEEDI delivers many projects and workshops aimed at improving the productivity and performance of small businesses in the Toowoomba area. Whilst the scope of such activities is very broad, many manufacturers participate. They have benefited through programs like our Jobs Assist program and, indeed, our flood recovery workshops that have aimed to assist manufacturing businesses through the difficult times. We have actually had an inventors' regional roadshow come to the area as just one of a range of small business support initiatives that we have coordinated through the Toowoomba centre.

The government has also committed to supporting small and medium size manufacturers in our regions, including Toowoomba, through the provision of a range of support initiatives. These include programs that help businesses innovate, adopt and commercialise new technologies, implement sustainable practices and design-led solutions and, very importantly, to become part of and to access new supply chains. DEEDI delivers these programs in partnership with industry, government agencies, the Commonwealth's Enterprise Connect and specialist providers such as QMI Solutions. QMI incorporates Industry Capability Network Queensland and, of course, more recently the Australian Institute for Commercialisation. We have three DEEDI officers based in our Darling Downs office supporting manufacturing and industrial service clients with one-on-one specialist services in addition to connecting them to the third-party specialist through targeted workshops and training. This complements the work of the DEEDI funded QMI and the ICN officer based in Toowoomba.

Mr KILBURN: I refer you to page 2-78 of the SDS and recognise that Tourism Queensland is continuing to develop tourist destinations by identifying new and enhanced tourism opportunities. Could you provide the committee with details of the new pilot program that has been developed which allows young Queenslanders to explore regional Queensland?

Ms JARRATT: Thank you very much for the question and for your interest in the announcement I made earlier this morning in my opening address about the Outback Education Tour Subsidy Scheme. This is a new partnership between Tourism Queensland, the Department of Employment, Economic Development and Innovation and the Department of Education and Training and, of course, our partners in the outback, the Outback Queensland Tourism Association. It is a really exciting initiative. As someone who has a past as an educator, I am particularly excited to share this new program with members of the committee.

It is a subsidy that aims, in the first instance, to encourage Queensland schools and Queensland teachers to send their students inland for the adventure of a lifetime. We know some of the exciting things you can discover in the outback including the dinosaurs, of course, the wonderful culture and the billy tea and damper culture of the outback. But, more importantly, we know that they will, through their inquiry, learn an incredible amount about our outback by experiencing it firsthand.

In addition to encouraging the schools to make use of this wonderful educational activity, we also know that the program will bring great opportunity to our outback tourism industries and the local communities in those areas. They will have more visitors coming through their doors and they will have the opportunity through these school groups to raise awareness about their towns, their great environment and their unique places in our history. That is very important to our outback operators.

The program will also allow us to showcase our innovative cross industry project to the rest of Queensland, of course, which is really important with the growth in interest in the outback. The subsidy program is a pilot for the next three years from this financial year 2011-12 and we expect the first round of rebates to be paid very quickly. I encourage teachers and schools to get on board with this program, to plan their exciting excursion into the outback and to apply for the student subsidies that are available to them. It is available for students in years 6 and 7 who want to, through their schools, adventure out into the outback on one of those wonderful school camps that I remember so fondly. It provides a great opportunity, I think, to integrate the rich history and heritage of Queensland's outback right into the classroom and into the learning of our primary school students.

Mrs SCOTT: Minister, in a rapidly changing global market, tourism operators need new skills to compete. Could you advise the committee how a joint Tourism Queensland and DEEDI \$1 million program will help operators to capture more business online and benchmark their businesses against world's best practice?

Ms JARRATT: Thank you for that question. The tourism industry is one of those industries that over the years has faced numerous shocks, numerous challenges, including the global financial crisis, SARS, bird flu, the impacts of swine flu and the odd airline strike. All of those issues have an impact on the industry. But most recently, of course, the Australian dollar has put a king hit to many in the industry. That is why we are encouraging our tourism operators to become smart in the way they run their businesses, to look to continually improve their products and their services and to adapt to survive and thrive in what really is a pretty competitive global marketplace.

I am pleased to announce that my portfolio will be delivering an additional \$1 million in programs through the Tourism Towards 2020 Capability Program beginning this September. This aims to build on an existing suite of programs that have been initiated through our \$12 million Nothing Beats Queensland and business resilience programs, to extend that recovery package to businesses to build their capability and to increase their resilience. It will feature one-on-one support and mentoring so that tourism operators have an even better opportunity to integrate new skills and understanding in the day-to-day running of their businesses. We are still bedding down the detail of this new program, but I do expect that it will include an emphasis on increasing the online booking capability of our tourism businesses.

We know that the digital revolution is having a huge impact on tourism. Initiatives like Facebook and TripAdvisor mean that feedback is instant. We have to be part of that revolution to gain the benefit from it. We are certainly encouraging tourism operators to have a 'book now' button, if you like—an ability for people to book and pay for their holidays or their experiences online. We know that 42 per cent of our Queensland operators who are listed on the Australian Tourism Data Warehouse do not yet have that online booking facility but that 32 per cent were keen to get it. So we are happy and keen to work with them to provide that capability.

I am also keen for this program to include an element of benchmarking within the tourism industry. Over the last six months DEEDI has been trialling an internationally recognised benchmarking program with 20 of our tourism operators. This is benchmarking them against not just the best in Australia, but the best in the world. I have to say that the outcomes of that so far have been very positive. We are hoping that by mobilising the entire portfolio, with DEEDI and Tourism Queensland working one-on-one with our tourism operators, we can really help to build their capability so that they can compete in what I have already said is an increasingly competitive global market.

CHAIR: Minister, you would have been very happy with the Nothing Beats Queensland recovery strategy which was carried out, as I understand it, in partnership with Tourism Queensland, DEEDI and the Australian government. What do we have in store next in terms of encouraging people to have a great holiday in Queensland?

Ms JARRATT: Thank you for your question and the recognition of the Nothing Beats Queensland campaign. It really was a circuit-breaker for the industry at a time when they needed it most and it has helped to stem a drop in bookings and bolster the confidence of the operators through initiatives like the pledge. As a central part of that \$12 million recovery package, TQ and the industry pulled out all stops with that campaign. It actually brought online, to help spread the message, famous and well-known Australians such as our Australian cricketer Matthew Hayden, the Irwin family and other TV and radio personalities to help us roll out that campaign. We want to keep the momentum going and the time is right for the next instalment and Tourism Queensland is about to embark upon that next campaign. At the end of July early August Tourism Queensland will roll out what will be a half a million dollar national advertising campaign in partnership with Sunlover Holidays that will continue that story about Queensland being a fantastic place for a holiday. It will contain, I am sure, many fantastic holiday deals.

As well as that we will be harnessing the power of Twitter, Facebook, YouTube and the internet. We have been doing that recently. The Harvey and the Humpbacks promotion that I was proud to launch and be part of in the Brisbane mall recently, which will continue to roll out through October, has been using these tools to tell people about the wonderful whale-watching experiences available on the Fraser Coast. There is going to be more activity, of course, on the Sunshine Coast and in Tropical North

Queensland during August and September and in my own part of the world the Season of Sailing highlights are coming our way with Tourism Queensland's support of the wonderful Season of Sailing along the Queensland coast. Upcoming promotions in October also will include the lead-up to the Rugby World Sevens. Tourism Queensland is also looking forward to the coming summer holidays with promotional activities earmarked from October targeting our key markets in New Zealand, the US, the UK, China and Japan.

Mr KILBURN: The latest tourism research shows that Queensland attracted 95,000 students in the year to March 2011 which was worth about \$806 million to the economy. Could you inform the committee how Tourism Queensland intends to ramp up the promotion of Queensland as an ideal natural classroom for study tours from around the world?

Ms JARRATT: Thank you very much for that question. As you know, Tourism Queensland is continually looking for new and unique ways to encourage new travellers to Queensland. In its corporate plan and annual plan for 2011-12 it identifies education travellers as an important part of the leisure market for our tourism industry. Tourism Queensland is targeting the study tour market which is one group within the broader tourism education travelling market. They hope that this will help to increase the number of international visitors coming to Queensland for study tours. Specifically, Tourism Queensland will be highlighting some of the wonderful study tour related experiences and products to international travel agents, Australian based inbound tour operators, principals, students, teachers and parents. To assist in attracting more study tours, Tourism Queensland will be distributing a new *Study Tours in Queensland* brochure. While this is not it, this is a little of what it will look like. It will, of course, encourage students to travel to Queensland not just for great educational experiences, but to enjoy and explore some of the other tourism opportunities and experiences we have to offer. It will feature a variety of amazing tourism products that are suitable for international study tour groups to enjoy while they are here in Queensland.

There will also be, importantly, speaking about that digital revolution, an e-brochure on Tourism Queensland's 16 international web portals to help to promote Queensland as a fantastic educational destination. Featured in the promotion are 79 Queensland tourism products from educational centres through to helicopter and flight schools, cultural tours and tourism attractions which offer a rich range of cultural heritage experiences for all people. This brochure will become available later this month. I am really looking forward to it going online because I am sure that it is going to help to build a wonderful new market—that is, the educational tour market.

CHAIR: Member for Woodridge?

Mrs SCOTT: Minister, the economic landscape in Queensland has seen a shift towards emerging industries such as clean technologies, fibre composites and nanotechnologies. Could you inform the committee how the recently launched Queensland Cleantech Industry Development Strategy has the potential to grow the industry by 20 per cent and create 2,500 jobs over the next five years?

Ms JARRATT: Thank you for that question, which is a very important question in the context of the announcements this week. When we decided to develop a clean-tech strategy, we did so by taking into account the existing clean-tech industry base here in Queensland and the opportunities that that presented. A survey that was conducted in 2009 by the Office of Economic and Statistical Research in Queensland found that Queensland's 1,200 clean-tech companies were generating over \$3 billion in revenue annually and employing more than 12,500 people. So that provided a great base from which to grow this industry sector.

The Queensland Cleantech Industry Development Strategy 2011-15, which I have with me today and which was launched in April, is structured around seven themes for the growth of this industry. When actioned, the themes will ultimately promote Queensland clean-tech solutions by marketing the state's clean-tech capabilities, supporting firms with performance and market development, addressing regulations inhibitive to growth and helping firms to access gross capital, as well as the promotion, of course very importantly in Queensland, of our regional clean-tech activity. About 20 per cent of these clean-tech businesses are actually engaged in manufacturing and we think the scene is set for future expansion.

The strategy focuses really on developing industry's ability to supply product, services and technology that will reinforce Queensland's position as a prosperous and sustainable state in a low-carbon future. The industry is set to receive a significant boost from the Commonwealth's plans, which were announced earlier this week, to introduce a carbon price as part of its clean energy future package. In particular, the package includes incentives such as \$1.2 billion in grants for researching, developing and adopting clean technologies. These offer the prospect of substantial extra support for the growth of Queensland's clean-tech industry and through the clean-tech strategy we will certainly be seeking to help them leverage some of that important funding.

I refer you, importantly, to a 2008 CSIRO report, titled *Growing the green collar economy*. It indicated that between 2.6 and 3.3 million green jobs could be created in Australia over the next 20 years if the country moved to a cleaner economy. Up to one million of those jobs could involve traditional skills in new industries such as solar, wind, water, waste management and recycling. Given the strength

of our local industry, the opportunities for expansion by fast-growing demand and political initiatives, I am absolutely confident that our clean-tech strategy will reach its targets of increasing industry growth and providing a whole range of new jobs for Queenslanders.

Mrs STUCKEY: I refer the minister to the *Queensland Commercial and Tourism Aviation Plan 2008-10*. This policy is as outdated as the pictures that appear in it. I table a copy.

A picture on page 3 shows a Freedom Air plane, yet Freedom Air ceased operating in March 2008. Since this document has now expired, what steps have you taken to ensure an up-to-date policy is released as soon as possible? We have printed from the website again today and there has been no update. Do you not, indeed, have a current aviation strategy?

Ms JARRATT: I thank the honourable member for the question. The plan that she refers to provides a strategic framework to drive future airline development opportunities for the state. Tourism Queensland looks to identify and support these opportunities through a range of activities, including providing input into aviation policy developments such as the national aviation white paper, bilateral air services negotiations between Australia and other countries and through participation in the Queensland Government Aviation Committee. It is working to increase the availability of data, research and intelligence to assist stakeholders in decision making, root planning and policy development.

Mrs STUCKEY: Minister—

CHAIR: Order! The minister has to be allowed to answer the question. The honourable member can continue to ask further questions thereafter.

Ms JARRATT: Thank you very much. I think if you listen carefully, you will hear that this strategy is as relevant today as it has ever been. It is an absolutely critical way that we are working to build our aviation industry in Queensland.

Mrs STUCKEY: I am listening—

Ms JARRATT: Good. Let me go on.

Mrs STUCKEY: I am listening—

CHAIR: Order! Please let the minister answer the question.

Ms JARRATT: Part of the plan is aimed at fostering a cooperative approach to airline route development through entering into strategic partnerships with regional tourism organisations, airports and airlines and, of course, building demand and improving the long-term viability of domestic and international air services through ongoing marketing and through specific cooperative marketing agreements. I think we would be very proud of some of the achievements of recent times that this plan has delivered, including, of course, the three weekly flights by China Southern Airlines to Brisbane, which is opening up the quickly growing Asian market, particularly in China. Etihad Airlines has three weekly flights from Abu Dhabi via Singapore to Brisbane, which is another great achievement of this plan. Emirates flies daily from Dubai to Brisbane. AirAsia X has four flights a week from the Gold Coast to Kuala Lumpur. I have already mentioned China Southern Airlines, which is an absolutely wonderful achievement through this plan.

I have to say that one of the people on your team, Clive Palmer, is obviously convinced of the success of this plan and convinced of the potential growth for tourism in Queensland and of the value of the China market as part of that. I am sure that he would be first amongst many who support this plan and the approach that is taken by Tourism Queensland to developing our aviation industry and air route development.

Mrs STUCKEY: Thank you very much for reinforcing that you do not have a current strategy. The minister has been telling Queensland tourism and manufacturing industries and small businesses to 'wait and see' what is in store for them with the Gillard carbon tax. Minister, why have you been totally silent? When will you be out there in the Whitsundays and other struggling regions selling the future benefits of this direct hit on operators who are already battling to survive?

Ms JARRATT: I thank the honourable member for the question. Do you know, we did not wait for anything. We have been working with tourism businesses, with manufacturing businesses and with small businesses in many sectors for many years now on preparing them to succeed and be sustainable within a carbon constrained economy. In 2009, we developed a number of policies in this regard, including a program called Carbon Outlook and Carbon Outlook 2 that assisted businesses to ascertain their carbon footprint and then work with strategies going forward that would improve their business opportunities.

As I have said, while of course there are some challenges that will be imposed with the pricing of carbon, there are a number of opportunities for businesses, including in tourism and manufacturing. I mentioned already our clean-tech industry services. Let us look at industry in Mackay, in my own backyard, and the Mackay Renewable Biocommodities Pilot Plant. I welcome the member for Mirani who would know a great deal about this. That plant is working with the by-product from sugarcane production for gas to produce a biofuel that could well revolutionise the use of fossil fuels in vehicles, not

just in this state but also around the world. There are many other opportunities available to us. I am happy to continue to work with the tourism industry and the manufacturing sector, and small businesses generally, to explore further some of those opportunities and to ensure that they are well placed to take the benefit of those opportunities. Growing jobs in this state is very important. As I have already mentioned in my answer to another question, there are huge opportunities for jobs growth in clean-tech industries as well as, of course, the absolute necessity to undertake this work to protect the sustainability of our fragile environment here in Queensland.

Mrs STUCKEY: Minister, if I did not hear you better, I would say you are just in support of a tax, a tax, a tax. I refer you to non-government question on notice No. 7 on the protecting tourism jobs election commitment. You have stated that you remain resolute in your determination to maintain and grow jobs in what is one of our most important industries. Given the reliance on air travel, in particular in Queensland, how can you stand by this statement and will you explain exactly how the carbon tax imposed by your Labor colleague Julia Gillard will protect these tourism jobs?

Ms JARRATT: As I have said, there will be some challenges and some opportunities. There will be some challenges in the tourism industry going forward. I know that the tourism industry has fronted many challenges over the years and this is another one. We will continue to work with the industry. I will tell you about the airline industry. A media release put out on 25 May is headlined, 'New sustainable "bio-derived" jet fuel industry is achievable'. The industry itself knows that there is a future for them, even within a carbon constrained economy. If you book a Virgin flight today online, you can click a button that says, 'Yes, I am willing to pay a little extra to use clean fuel options'.

I know that the future of our airline industry will be secure, as will our tourism industry, because the other option is to do nothing, which is what your side of politics seems to advocate we do. Nothing would ensure the death knell for tourism faster or more assuredly than doing nothing about climate change. I am happy to continue to work with the industry on this. Certainly there is a very bright future ahead for the industry.

Mrs STUCKEY: I refer to some figures on the cooperative investment in marketing campaigns. The minister has raised this before. This is in the current annual report on page 19. In 2009-10, the value of this cooperative investment was \$9.91 million, yet in the target for 2010-11 it was only \$7 million. Clearly this is a sign of no confidence by a large chunk of the industry. What will the minister do to rectify this?

Ms JARRATT: We do not have that year. I might turn to the CEO of Tourism Queensland to respond to that question, please.

Mr Hayes: Put simply, cooperative dollars are a real challenge at the moment. Our industry has been doing it very tough, particularly over the past 12 months. We have a traditional model that we have used where we run a sales campaign, we go out, we invite the industry to partner with us. A set fee is usually required for them to partner in those activities. In recent times, we have tried to bypass the fee for those organisations to be involved. Because they have been doing it tough, it was actually a wiser decision for us or a more helpful decision for us to say to them, 'We are going to run a campaign and we would like you to provide a deal, but we do not require a participatory fee.' That has impacted on the cooperative dollars, because we have not been looking for the dollars because the industry has been doing it tough.

On top of that, we have seen a shift away from the older style model where we would run a campaign, the call to action would be to go to our website, et cetera. As we have been reasonably successful in helping our industry to develop their own websites, et cetera, they have not been so reliant on us. As a result, they tend to run a lot of their own calls to action. Therefore, it is not coming through us as much.

On top of that, the simple fact is there are less dollars out there at the moment and we need to be realistic when we are setting our targets for the year ahead. Obviously, we are still quite aggressive in trying to target as much funding as we can. What we are seeing is that the funds are not necessarily flowing through our books. We are working in partnership with the industry. There is still a chunk of money being used in partnership with us, but it is in-kind support rather than cash support.

Mrs STUCKEY: What I am hearing from you is an admission that the marketing cooperative dollar is down, yet the minister earlier today said there was a cooperative marketing increase—she was praising it. Is it correct that Tourism Queensland will not be engaging in any cooperative marketing activity with major wholesale distributors as at the end of 2011?

Mr Hayes: No, that is not correct. We work with a variety of partners and we would continue to work with a large variety of partners. The cooperative dollars for the last financial year were up. That was a reflection of the fact that there was an additional injection of funding as a result of the floods and the cyclones. The very successful chunk of money that was provided to us allowed us to work in partnership with a number of organisations. Therefore, there was a significant boost to the cooperative dollars. As we move into the new financial year we are not expecting the same level of cooperative dollars to come through the books.

Mrs STUCKEY: You are not discouraging it?

Mr Hayes: We are launching something very soon in partnership with a wholesaler. We work in partnership with retailers, wholesalers, airlines. The mix will change from time to time and it is important that we make good commercial decisions based on what is the best use of the funding provided to us.

CHAIR: The time allocated for the consideration of the estimates of the expenditure for the portfolio of the Minister for Tourism, Manufacturing and Small Business has now expired. On behalf of the committee, Minister, I thank you and your departmental officers for your attendance. The transcript of the hearing thus far will be available on the Hansard page of parliament's website at approximately 1.15 pm today.

Ms JARRATT: Mr Chairman, I just seek your indulgence to sincerely thank members of my ministerial office team, Tourism Queensland and the department for their very generous support of me over the last few weeks for my preparation for my very first estimates hearing. I also thank the committee, who have been very generous this morning. Thank you all.

Proceedings suspended from 11.46 am to 11.51 am

ESTIMATES—INDUSTRY, EDUCATION, TRAINING AND INDUSTRIAL RELATIONS COMMITTEE—EMPLOYMENT, SKILLS AND TRAINING

In Attendance

Hon. SJ Hinchliffe, Minister for Employment, Skills and Mining

Mr G Addison, Principal Adviser (Acting)

Department of Employment, Economic Development and Innovation

Mr I Fletcher, Director-General

Mr M Bermingham, Associate Director-General, Employment and Economic Development

Mr P McKay, General Manager, Employment and Indigenous Initiatives

Department of Education and Training

Ms J Grantham, Director-General

Southbank Institute of Technology

Ms R Tyler, Institute Director and Chief Executive Officer (Acting)

Skills Queensland

Mr R Camm, Chief Executive Officer

CHAIR: The committee will now consider appropriations for organisational units within the portfolio of the Minister for Employment, Skills and Mining. On behalf of the committee, I welcome the Minister for Employment, Skills and Mining, departmental officers and members of the public to the hearing. I am Kerry Shine, the member for Toowoomba North and chair of the committee. Mr Jeff Seeney, the member for Callide, is the deputy chair. The other committee members are Mrs Desley Scott MP, the member for Woodridge; Dr Bruce Flegg MP, the member for Moggill; Mrs Jann Stuckey MP, the member for Currumbin; and Mr Steve Kilburn MP, the member for Chatsworth. Mr Ted Malone MP, the member for Mirani, has been given leave by the committee to participate in the hearing.

I remind all those participating in the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard, I remind members of the public that under standing orders the public may be admitted to or excluded from the hearing at the discretion of the committee. I ask that mobile phones or pagers be either switched off or switched to silent mode.

I remind members that recent changes to standing orders now provide that directors-general and those chief executive officers set out in schedule 7 of standing orders may be questioned by the committee. For the benefit of Hansard I ask departmental officers to identify themselves before answering a question. I now declare the proposed expenditure for the organisational units within the portfolio of the Minister for Employment, Skills and Mining in respect of employment and skills open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, do you wish to make an opening statement? I remind you that normally there is a limit of three minutes covering all the business you have to conduct here today. I understand that we will split that so you may have a minute and a half at this stage and a minute and a half after lunch for the balance of your portfolio. Is that your understanding?

Mr HINCHLIFFE: I am happy to proceed in that way. Mr Chair and members, the 2011-12 state budget is a budget for the future of Queensland which continues to put job creation at the forefront. We have committed to strong investment, with some \$14.9 billion committed to delivering infrastructure. This is expected to create and support some 90,000 real jobs for Queenslanders. These jobs are being delivered across the state, from Cairns to Coolangatta, from Camooweal to Cape Moreton. We are on track to meet our 100,000 jobs target, with 77,000 jobs created since we made the pledge in March 2009. There is more good news to come.

Employment growth in the next few years is expected to support the creation of some 140,000 jobs as the Queensland economy enters a new wave of prosperity, with five per cent growth expected next financial year. Part of my role is to help make sure we have the workforce available to meet the needs of a growing Queensland economy. That is why it is important that effective initiatives such as the \$104.5 million Skilling Queenslanders for Work program continue. That is a program that is expected to

help some 24,000 job seekers in Queensland who are facing significant barriers to employment to find their way into earning or learning. Part of the Skilling Queenslanders for Work program is the very successful Green Army initiative, which I will be pleased to discuss further with the committee.

This is a budget that is about the future for Queensland. It is about fostering job creation. We are all about encouraging Queenslanders who can work to put their hand up and take advantage of the opportunities on offer as economic growth soars here in the state.

Mr Chair, I did also want to make a minor note of some clarification. I refer to my response to question on notice No. 5 and I draw it to the attention of the committee on two matters of clarification. Firstly, the answer related to the funding provided to Manufacturing Skills Queensland detailed the amount of \$500,000 for the enterprise development program in the 2010-11 contract period. Although Manufacturing Skills Queensland did receive this amount for the initiative, funding was for two separate contracts over the 2009 to 2011 period for the amounts of \$350,000 and \$150,000 respectively.

Secondly, my response outlined that the Mining Industry Skills Centre received funding in 2010-11 of \$265,151 and in 2011-12 of \$132,575 to support industry and to provide advice to Skills Queensland. While the total is correct, the full value of \$397,727 was allocated in full in 2010-11. However, the contract clearly provides that the funding was allocated for services across the full period of 1 July 2010 to 31 December 2012. The figures were previously divided in an attempt to respond to the question in the way it was put. I want to provide an amended response to the question on notice just to make sure that is very clear. I table that.

Leave granted.

CHAIR: The first period of questioning is allocated to non-government members. Member for Mirani.

Mr MALONE: Thanks, Minister, for that clarification. We are all very aware that small business is actually the biggest employer in Queensland and has the potential to employ many more if the conditions are right. I refer to page 2-3 in the Service Delivery Statements in relation to supporting a strong and diversified economy, and I ask: what modelling has your department undertaken to quantify the impact of a carbon tax on small business which also impacts on the Queensland economy and the ability for small business to employ?

Mr HINCHLIFFE: Thank you for the question. I want to highlight that I agree with you about how vitally important small business is to the employment opportunities here in Queensland, how important it has been for many decades and how important it will continue to be for many decades into the future. We certainly appreciate the vital role that small business plays. We want to ensure that—as we do across any issues that have potential impacts on our economy, be they the strength of the Australian dollar or the natural disasters we experienced during the last summer—we take account of how an extensive range of issues impact on the nature of the Queensland economy.

We are certainly considering and understanding and looking forward to the ways in which we will respond to the economic reforms that are a consequence of the Commonwealth government's proposals around action to put a price on carbon. In the same way that our economy, and small business in particular, had to respond to the economic reform that was inherent in things such as the introduction of the goods and services tax, this is something that the Department of Employment, Economic Development and Innovation will continually observe and respond to. That is why I think it is important to highlight how flexible and responsive our programs are in understanding the impacts on small businesses, larger businesses and the employment market generally of economic change and economic reform and how we have been proactive in making sure that our programs are responsive to provide individuals with the capabilities to respond to economic change.

Mr MALONE: Minister, your response actually alarms me because you are referring to the carbon tax as being similar to the GST. You would well understand that small business can claim back the GST, whereas the carbon tax will be an impost on inputs. I am really grappling with your answer to understand whether your department has done any modelling in terms of the impact on small business, as New South Wales has done. More importantly, can you highlight the opportunities for small business and even the manufacturing industry to gain a competitive advantage with the carbon tax when we have imports coming in from overseas? I recognise that the high Australian dollar is a difficulty for small business in terms of their competitiveness. With the carbon tax, how can our local manufacturers and small business gain a competitive advantage over people who manufacture overseas and supply into the Port of Brisbane? So the question is: do you see what advantages small business can gain from a carbon tax, recognising that it cannot be claimed back? Can you give me some shining light to convey to small business out there that they are going to be okay in this new dynamic?

CHAIR: The question probably should have been directed to the previous minister who appeared, the Minister for Small Business. But it is up to the minister.

Mr MALONE: This is about employment, Chair.

Mr HINCHLIFFE: Since this is actually giving employment and is about employment issues—

Mr MALONE: Absolutely.

Mr HINCHLIFFE: I am happy to answer the question. In relation to Mr Malone's question, I am glad to see that he sees some silver lining and opportunities—

Mr MALONE: I am asking you, Minister.

Mr HINCHLIFFE:—in the economic reform that is represented by putting a price on carbon. So I welcome him as the first LNP member I have heard say anything remotely like that he sees opportunities.

Mr MALONE: Can I clarify that, Minister. I am looking for you to tell me what they are.

Mr HINCHLIFFE: I am pleased to highlight that there significant initiatives in the carbon tax package that develop our clean-tech industries.

Mr MALONE: So you have done some work on it.

Mr HINCHLIFFE: These include a \$1.2 billion clean technology program for low-emissions manufacturing, with grants for capital equipment and processes and R&D investment. The new Clean Energy Finance Corporation will invest some \$10 billion over five years from 2013-14 in renewables and low-emission technologies. This will not only offer support to our manufacturers across all sectors but also provide a significant boost to our cleantech industry. Queensland is well positioned to benefit, as we already have a Cleantech Industry Development Strategy in place. The Queensland government launched this strategy in April 2011 and it remains the only such initiative in Australia. So once again we are ahead of the curve.

Queensland's clean-tech industry now generates more than \$3 billion in revenue annually and employs over 12,500 people. I do not think that is something that should be sneezed at, Mr Malone. Our clean-tech strategy aims to support substantial further growth. With the further investments that come as part of the broader package around putting a price on carbon—a vitally important reform for our economy—I think we have a great opportunity to see that silver lining that you are highlighting, that you are recognising. Indeed, you are the first conservative politician in the country I think other than maybe Malcolm Turnbull who has been willing to talk about the opportunities and positives of putting a price on carbon. Mr Malone, I welcome your support of the opportunities that present themselves to the Queensland economy.

Mr MALONE: Thank you very much, Minister. But be assured that, in listening to your answer to my question, the fact is that most of the funding that you are putting into these initiatives is taxpayers' funding and in real terms it does not actually progress the opportunity for small business to stand on their own two feet. When the subsidies go, the reality is that in the clear light of day manufacturers have to compete and small business has to compete with everybody else. Your highlighting of my support for a carbon tax is a furphy, obviously. I am trying to defend small business in terms of this impost that you are putting on them.

CHAIR: Is there a question?

Mr MALONE: Thank you, Chair, I—

Mr HINCHLIFFE: Thank you, Mr Malone. I will address that particular point. I should reiterate and make very clear that it is not a loan. The investment and opportunity for reinvestment of funds that is raised by putting a price on carbon will lead to the growth of new industries and new opportunities. That is not the only element that makes this an important reform and one which Queensland businesses and therefore Queensland employees can take opportunities out of. The fixing of a carbon price means greater certainty for investors. It is expected that significant investment will flow into energy infrastructure projects that will offer new business opportunities for Queensland manufacturers and clean-tech firms. This fundamental reform of the economy provides that sort of opportunity.

The reality is that we all need to do work and we all need to do business in a carbon constrained world. That is a reality. This process of putting a price on carbon—something that this government understands is vitally important, and we recognise that the Commonwealth government has put forward a program and a package around delivering it while also delivering significantly important taxation reform—is a great opportunity. It is a great opportunity to make sure that we are leading the world in being part of dealing with a carbon constrained reality. It is good for the bottom line of businesses and it is good for the bottom line of employment outcomes to provide that level of certainty for the future for a trading nation like Australia and particularly for a trading state like Queensland.

Mr MALONE: I am sorry, Minister, but I am sure you have not got a lot of converts out there at this stage.

Mr HINCHLIFFE: I note, Mr Malone, that Mr Abbott could not convert any people last night. He actually sent them the other way. I think you had better check the way things are moving in that regard.

Mr MALONE: We will carry on, Minister.

Mr HINCHLIFFE: You certainly are.

Mr MALONE: I refer to page 2-5 of the Service Delivery Statements in relation to employment. We are very aware through the findings on pages 26 and 27 of the Garnaut climate change review paper outlining the impacts of the emission trading system that Queensland and Western Australia particularly, as high-commodity producers, will be severely impacted. Bearing in mind that the Garnaut report also said that green jobs will take 10 to 15 years to come to fulfilment, Minister, what planning have you and your department undertaken to factor this into your employment forecasts and what budget have you allocated to this project?

Mr HINCHLIFFE: I thank Mr Malone for the question. I should highlight that we have seen a lot of commentary about the potential impacts of putting a price on carbon—

Mr MALONE: This is from Mr Garnaut.

Mr HINCHLIFFE:—on the Queensland economy, focusing on the resources sector. While I certainly recognise the fundamental importance of the resources sector in our state's economy, unlike states like Western Australia, our state is not a one trick pony. We do have a number of different strings to our bow. We do have a range of economic drivers and a much more diverse economy. As you would note, the resources sector represents about 15 per cent of the state's economy and I think some 11 per cent of the workforce of the state. But, even to that end, it is a vitally important part of the state and a vitally important part of the ongoing growth, as has been identified in our focus on the jobs potential from the sunrise industries such as the coal seam gas and liquefied natural gas industry, which will, on the basis of approved projects, see the creation of some 18,000 jobs. That has all happened with the prospect of putting a price on carbon in the offing, including when the Howard government had its proposal to put a price on carbon. These are matters that are not entirely new to those issues.

If you look at commentaries by people including the Queensland Resources Council, they suggest that a carbon tax is going to cost some 2,700 jobs of Queensland coal workers by 2018. The reality is that, even on a moderate analysis of what the future of our requirements in the resources sector are in terms of employment, mining expansion will account for the creation of at least 38,000 additional jobs spread across construction and operational phases of a myriad of projects by 2014-15—

Mr MALONE: Can you name a few of those?

Mr HINCHLIFFE:—with more jobs expected to be created beyond 2014-15 as well. Even if there were some sort of wind back in the face and understanding of a carbon constrained future and the requirements of a price on carbon, the issue is still one of a skills shortage, not a lack of employment out of this process. These are the things that we need to understand and comprehend. Suggestions that we need to be throwing significant funds of the Department of Employment, Economic Development and Innovation at some sort of process to identify the damage that is going to happen and the potential concerns around loss of jobs in the resources sector as a consequence of a carbon tax, when the reality is that the skills shortage in the resources sector is the genuine issue, is a bit of a fantasy and a waste of time.

Mr MALONE: Thank you, Minister. I understand that in Queensland for the last quarter there were 127,800 unemployed people. That is not to mention those who are underemployed. Given that we have foreign workers flooding into Queensland and 457 visas taking up jobs in our mining and gas industry, and many on salaries in excess of \$100,000, what is your government doing to address the opportunities for those Queenslanders who are currently unemployed or, more importantly, underemployed to enable them to participate in the lucrative resources industry?

Mr HINCHLIFFE: I thank Mr Malone for the question. This is in fact the key task that we are very much focused on—as I said earlier, making sure that every single Queenslanders who can play a role in meeting the skills needs of our economy is responded to. We have particularly important programs like the one I mentioned during my opening statement, Skilling Queenslanders for Work. That initiative provides a comprehensive suite of customised employment and training assistance that meets individuals' needs. It helps make sure that people who have faced traditional barriers who might be in communities that have not had the opportunity to get access to some of the resource rich sector jobs—

Mr MALONE: It appears that you are not doing real good—127,000 are still not employed in Queensland. Can you give me some figures to show that you are actually improving that bottom line?

Mr HINCHLIFFE: What we are seeing with programs like Skilling Queenslanders for Work is that in 2010-11 over 26,000 people were assisted including people in electorates such as your own. Based on the participant survey outcomes, we know that two-thirds of these people will either be in jobs or undertaking further training in 12 months time. That is the record that these programs have of helping people access those sorts of opportunities.

Then we have significant projects aimed at giving skills to particularly disadvantaged sectors of the economy. The Myuma project, which runs out of a camp not too far away from Cloncurry, is a project focused on providing opportunities to Indigenous Queenslanders. Indigenous Queenslanders from across the state go into that Myuma project and get the opportunity of training. My understanding is that the latest group of that cohort—and I will be pleased to get the statistics in detail. In the most recent program, 26 out of 28 graduates found employment with resource sector companies or in civil

construction. This is a project that has been funded to a total of some \$3.6 million since 2007. It is about providing terrific opportunities in construction and mining skills and prevocational training for Indigenous young people. That is a program that makes a huge difference.

One project funded under the initiatives of Skilling Queenslanders for Work is the Gladstone Workforce Skilling Strategy, which is assisting some 210 local job seekers, including 25 per cent Indigenous people, over two years to take up jobs in the liquefied natural gas industry. Funding is also being contributed by Energy Skills Queensland—

Mr MALONE: I will rephrase the question, Minister. You are not actually getting to the basis of it. In the last 12 months, how many long-term unemployed people have got jobs out of the programs that you are running across Queensland?

Mr HINCHLIFFE: I made mention there of the 26,000 people who have been assisted by the Skilling Queenslanders for Work program.

Mr MALONE: Assisted is a lot different to having full-time jobs.

Mr HINCHLIFFE: The statistics are that 71 per cent of the participants in Skilling Queenslanders for Work are getting to long-term employment or training—so to clarify, it is learning or earning.

Mr MALONE: I am just trying to clarify the opportunities for the long-term unemployed to get full-time jobs, and I am not sure you have actually given me that answer.

Mr HINCHLIFFE: The mixture of factors that play a role in helping move someone from long-term unemployment, and the barriers that that implies, to full-time unemployment are multifaceted.

Mr MALONE: I understand that.

Mr HINCHLIFFE: They are getting access to a great and important jobs readiness program like Skilling Queenslanders for Work and the training opportunities, the workplace employment opportunities and the experience opportunities that that provides, and that is just one of a series of different factors. Other factors will play a role in that, and that is why I am pleased we have seen things like some of the reforms that are contained within the package that you were maligning earlier, the Commonwealth government's Clean Energy Package; it includes things like tax reform that will help people moving from welfare to work. I am pleased that that will play a role in helping lower some of the barriers to getting long-term unemployed people into the workforce.

Mr KILBURN: I was really pleased to see in the budget the \$104.5 million that was allocated to the Skilling Queenslanders for Work initiative because it has been an incredibly successful initiative. I have seen firsthand in my electorate the people who have now got the skills. This is a benefit not only for them but for the local school where they did their work, so it was a win-win situation. Could you please outline the scope of the Skilling Queenslanders for Work programs across Queensland and how these programs are helping to combat long-term unemployment throughout the state?

Mr HINCHLIFFE: Through you, Mr Chair, I want to thank Mr Kilburn for his question. I know he has taken a very close interest in those projects under Skilling Queenslanders for Work that have happened in his community. We continue to provide assistance and create jobs for marginalised job seekers under the Skilling Queenslanders for Work initiative. It provides a comprehensive suite of customised employment and training assistance to meet an individual's needs, and that is the vitally important factor that this particular program provides that makes it unlike other programs.

In 2011-12, \$104.5 million will be invested in more than 24,000 Queenslanders. It is also important to note that these 24,000 people are assisted across Queensland, with programs developed locally and endorsed by one of the 13 community jobs priority committees established across the state. So there is genuine local input into what the programs do and what opportunities they provide to the community, as you have experienced and highlighted, Mr Kilburn.

The success of the Skilling Queenslanders for Work initiative lies in the flexibility of its programs to respond to changing priorities and economic climates, or indeed policy changes economically. This was particularly evident during Queensland's recent natural disasters which saw a major redirection of effort to support displaced workers and communities in immediate recovery and rebuilding. A testimony to the success of Skilling Queenslanders for Work is the enviable outcomes it achieves. As I mentioned in my answer to Mr Malone, over 26,000 people were assisted in the last financial year. There are good results, with people being in jobs or in further training 12 months after they have completed a program so it is not just short-term benefits but longer-term benefits.

Some of the highlights of Skilling Queenslanders for Work include the Community Employment and Infrastructure Program. This program provides job seekers with a mix of job preparation assistance, accredited training and paid work placements tailored to the participants' needs so they can become job ready and competitive in the Labor market.

Queensland's Green Army is a particular highlight. In 2010-11, some 1,723 people were employed through the three-year \$57 million Green Army commitment, of which 200 Green Army work placements were approved for immediate deployment following the natural disasters. An additional 700 Green Army positions were created as part of the 2011 Queensland Natural Disasters Jobs and Skills Package.

I think you can see the breadth of things that we are trying to provide for here. It demonstrates how committed we are to seeing this program continue to deliver for Queenslanders and Queensland communities, particularly those Queenslanders who need that break to get that job, to get that training opportunity, to take them to the next level and be able to take advantage of the great opportunities in the state's economy.

CHAIR: Minister, as you know the African Communities Inclusion Program with DEEDI funding has been involved in Toowoomba. Can you please advise how Skilling Queenslanders for Work funding has made this possible? Can you also advise whether further funding will be forthcoming for this organisation's work?

Mr HINCHLIFFE: Thank you, Mr Chair. I particularly want to acknowledge your keen interest in this program and how supportive you have been in the Toowoomba community for those African communities who are making Queensland home and making places like Toowoomba and the Darling Downs their home. The government recognises that African migrants often face cultural and social barriers that can prevent them from participating more fully in the labour market. Unfortunately, many African migrants struggle to assimilate into the community, and anecdotally their unemployment rate may be as high as 80 per cent. I see this in my own community, where I have a very high Sudanese community in my own electorate as well.

The government's Participate in Prosperity Program—a project which assists disadvantaged Indigenous people in the Cunnamulla and Roma areas—has been expanded to target Africans from Sudan, Liberia, Sierra Leone and the Congo who are living in the Toowoomba area. This component of the project was launched in early 2011 as the African Communities Inclusion Program. Lifeline Darling Downs and South West Queensland Inc are managing the African Communities Inclusion Program and received total funding of \$342,800. This investment allows the organisation to employ caseworkers who work with participants in addressing their barriers to employment.

The African Communities Inclusion Program commenced in early 2011 with those caseworkers focusing on areas such as job preparation, including resume writing, interview skills and training, and employment options. Caseworkers are also addressing the other related social issues and life skills, such as literacy and numeracy, low education and cultural issues, sometimes low self-esteem, accommodation and mental and physical health issues, and indeed child care, which can be a challenge for people from some of these communities as well.

In support of the project and the local community, an African Communities Inclusion Program Reference Group was also established with representatives from local agencies, such as the Department of Education and Training, Centacare, DEEDI, Centrelink, Employment Services Queensland and the Southern Queensland Institute of TAFE. This reference group brings the relevant people together to address emerging needs and keeps the project focused on providing relevant and timely assistance for individuals and industry.

A progress report as at 30 June was submitted by Lifeline Darling Downs and it highlighted that 75 people were receiving full assistance and the organisation was also providing support to 46 people who were specifically interested in working in the mining industry. Those receiving assistance included five people who unfortunately had been affected by the Orford Refrigeration closure, which you would be aware of, Mr Chair. Without the African Communities Inclusion Program, these people would have been facing long-term unemployment.

Other recent activities occurring as a result of the project include the successful completion of study for five participants who are aiming to become jackaroos and also a number of participants working towards their driver's licences. This will be beneficial to them in everyday life obviously but it will also particularly open up new job opportunities as it is a requirement of the mining industry that candidates hold manual driver's licences.

Lifeline Darling Downs is focused on continuing to provide tailored assistance in developing linkages between those who are close to job ready with immediate job opportunities, specifically in the resources sector. That sector is providing great opportunities in the Downs and beyond. Participants will be assisted in three separate ways to achieve the best outcome for each individual: those who are ready to work will be linked with local employment communities, those who are close to job ready will be provided with some additional skills or assistance, and those who are not job ready will be provided with some more intensive assistance.

Stakeholder information sessions were conducted on 28 June for local African Australians interested in working in the mining industry. This is an example of how we are going forward. It was promising to hear that at the session the general manager of the Surat Basin Corporation indicated a strong willingness from local industry to employ as many residents as possible, including those from refugee and migrant backgrounds, to maximise employment opportunities for African Australian residents. The general manager further suggested that due to the high volume of resumes received each day all resumes should reach him through the African Communities Inclusion Program for effective follow-up with industry.

The current Participate in Prosperity project completes in August 2011, as I know you are aware, Mr Chair. I am pleased to take this opportunity to mention that the local community jobs priorities committee has endorsed another funding submission and that the local Department of Employment, Economic Development and Innovation staff are currently negotiating a similar contract with Lifeline Darling Downs to continue this valuable community project.

CHAIR: That is good news.

Mrs SCOTT: Minister, as this topic is of such high importance in the electorate that I represent, I want to stay on that same topic. You recently joined me in congratulating 10 Indigenous women on their efforts to upgrade a community housing property in Bruce Street. As you know, the Construction Training Centre received funding under the Skilling Queenslanders for Work initiative, as did the Woodridge North State School for a Green Army project providing new facilities for prep students. Can the minister please provide a progress report on the filling of the Green Army election commitments?

Mr HINCHLIFFE: Through you, Mr Chair, I want to thank Mrs Scott for her question and I want to preface my answer by saying that it was great to join her at Bruce Street, Woodridge, and see the Construction Training Centre project and those 10 young Indigenous women getting skills in the construction industry. It was a great project. It certainly reiterates how important it is for projects like the Green Army project to deliver outcomes.

Creating employment opportunities remains a clear commitment of our government. That is what we do and it is what we have been doing well. The projects you have mentioned are great examples of how organisations are working together, sharing resources and ultimately getting really good outcomes. Queensland's Green Army was a government election commitment to create some 3,000 jobs at a cost of \$57 million over three years from 1 July 2009. This investment has been approved to deliver some 2,300 green work placements and 700 green traineeships by July 2012. The program is being delivered as part of the Skilling Queenslanders for Work initiative, which we have discussed so much already.

Queensland's Green Army was designed to improve Queensland's natural assets, strengthen the tourism industry, promote increased environmental awareness and also importantly build green skills for the future. This has been achieved through a number of local projects which have been focused on the following: restoration of national parks through native revegetation and regeneration; weed clearing; restoring degraded beaches, river banks and foreshores; building and repairing boardwalks; refurbishing parks; improving public spaces; constructing bikeways and footpaths; and working on recycling and waste management schemes. Following Tropical Cyclone Yasi and those devastating floods that we experienced across Queensland earlier this year, the Green Army moved into action quickly to help communities recover. We saw 900 work placements being redirected with an additional \$17 million secured, and 1,100 more Green Army jobs are dedicated to working on the disaster recovery projects as part of that joint program with the Commonwealth, the \$83 million Queensland Natural Disasters Jobs and Skills Package.

Today I am pleased to report that the 3,000 jobs target under the Green Army program has now been reached a full year ahead of schedule. This target was reached with the approval in late June 2011 of a \$569,590 package of funding for a flood recovery project to employ 30 job seekers in the Brisbane north area. The project being coordinated by the Centacare employment group will be undertaken at three project locations: the McIntyre Centre Riding for Disabled Association at Pinjarra Hills, the Girl Guide Hut at Caboolture and on flood damaged lands along the North Pine River at Petrie. I think it is a great example of how we will see these projects continue to put back into the community and continue to deliver good green outcomes, particularly in response to the damage as a result of the natural disasters we experienced earlier this year.

Mr KILBURN: Minister, you mentioned the community jobs priority committees in your response to a question from the member for Toowoomba North. What are these committees? Who is on them? Where do they operate?

Mr HINCHLIFFE: I thank Mr Kilburn for the question. I have highlighted how important it is that these projects are responsive to local communities and local community needs. The Skilling Queenslanders for Work program does use good local community resources and community input by utilising this state-wide network of 13 Community Jobs Priorities Committees. These committees have been operating since early 1999 in providing advice to a range of different community jobs type programs that have been undertaken by this government and predecessor governments committed to seeing job opportunities for those people who are potentially disengaged from the workforce. Part of what makes Skilling Queenslanders for Work so successful is that these funding recommendations are made independently at the local level. The role of the locally based committees is to review, prioritise and recommend eligible applications for funding under programs delivered under the Skilling Queenslanders for Work initiative. Committee members prioritise eligible applications based on regional and locally based priorities, taking into account regional and local unemployment rates and the need to focus on particular target groups, the geographic spread of proposed projects in the area, skills shortages, the potential for sustainable employment and emerging industry needs, previous performance and of course, as we always have to, budget availability.

Each committee's regional coverage is based on specified state electoral districts. Coverage is Queensland-wide, with committees based in Far North Queensland, Northern Queensland, North West Queensland, Whitsunday, central west, Central Queensland, Bundaberg, Sunshine Coast, south-west, Ipswich, Brisbane north, South Brisbane and southern Queensland. Each committee has between six to eight members with a broad membership drawn from the community, industry, government, industrial unions as well as Indigenous and youth representatives. Nominations for members are sourced from groups such as the Local Government Association of Queensland, the Queensland Council of Unions, the Queensland Council of Social Service, the Australian Workers Union, the Chamber of Commerce and Industry Queensland and the Australian Industry Group. Composition of committees may vary slightly to reflect the local representation and the local needs of the community. For example, an Aboriginal or Torres Strait Islander representative may be included where there is a large Indigenous population.

These members are not paid for participating on the committees, and that is a reflection of their dedication and commitment and their genuine passion for ensuring employment and training opportunities are provided to local job seekers. They are managed locally and chaired by the regional employment directors from DEEDI and supported by the regional Employment staff. So committees provide what I think is a real transparent mechanism in relation to the awarding of the grants. They are independent of me as minister and ensure that there is appropriate, as I say, local expertise about what is going on in the local job market that gets an input into decisions about how these very important programs are allocated.

CHAIR: I call the member for Woodridge.

Mrs SCOTT: Minister, we all know disaster recovery is really important right now, but how is DEEDI working cooperatively with Skills Queensland to ensure that economic and workforce development continues in Queensland for the future?

Mr HINCHLIFFE: I thank Mrs Scott for her question. Clearly the creation of my portfolio as employment, skills and mining minister has all been about making sure that we see those key issues for the Queensland economy well integrated and well articulated to each other. Certainly, given the government had the foresight to create Skills Queensland—the independent skills commission—to advise government led by industry on skills work, it is vitally important that our employment programs have an engagement with and a cooperation with that body, and I am pleased to say that DEEDI have certainly been doing that. Working with Skills Queensland to build the effectiveness of things like the Skilling Queenslanders for Work initiative is very important. Skills Queensland is provided by DEEDI with critical advice and support that ensures workforce development activities align with the government's economic and regional development priorities. Equally, their advice will inform the shaping of those programs. Unique aspects of the Skilling Queenslanders for Work program is its flexibility to meet the changing social and economic conditions, as I was highlighting earlier. As economic cycles change, our programs are able to adapt quickly, focusing on the critical labour market issues of the day.

As you note, responding to the natural disasters effectively was imperative this year. Our program flexibility enabled us to respond very quickly to those disasters—I gave some examples before talking about the Green Army—while keeping in mind the long-term needs of the Queensland workforce as well. Recovering from these disasters required a major redirection of effort to help displaced people in damaged communities. Skills Queensland with the support of DEEDI reacted quickly and played a leading role in the development and implementation of that \$83 million natural disasters jobs and skills package for Queensland which I cited earlier. The continuing strong relationship between DEEDI and Skills Queensland is strengthening Queensland's economic base by helping to develop a skilled workforce capable of meeting Queensland's current and future workforce needs.

By linking the Skilling Queenslanders for Work initiative with Skills Queensland's priorities, these important agencies are able to connect emerging labour and skills shortages to increase workforce participation. This will be critically important to meet the emerging skills needs of, for example, the resources sector. I made mention earlier in response to a question from Mr Malone about how vitally important it is that we understand that task of responding to the skills shortage that we can potentially see on the horizon with the resources sector. So you have programs such as the Community Employment and Infrastructure Program and First Start and youth training initiative programs that will continue to be effective in helping a range of disadvantaged job seekers to find gainful employment.

They will also support the development of a workforce for Queensland's emerging key industries, including things like the coal seam gas and the liquefied natural gas industry. It will be vitally important that we have that ongoing discussion and work—earlier I cited the Gladstone Workforce Development Strategy being one example—partnering with Energy Skills Queensland to help a large number of people including some 125 Indigenous people to develop the skills that they need to take on the sustainable jobs that will emerge out of the liquefied natural gas industry. So I think that is evidence of the ways in which that relationship between the Department of Employment, Economic Development and Innovation is partnering with and working with Skills Queensland. The structural nature of that is evidenced by the fact that the director-general is in fact on the board of Skills Queensland and has that direct input and engagement with that very important task.

CHAIR: Thank you. I call the member for Mirani.

Mr MALONE: Referring to page 2-3 of the Service Delivery Statements, agriculture is a large employer of skilled workers. Even though agriculture itself is excluded from the carbon tax, what modelling has your department undertaken in respect of increased costs or imposts of fuel, fertiliser, power and, in some cases, refrigeration and transport on the diversified agricultural industry in Queensland? As farmers are price takers, what opportunities do farmers have to recoup those huge input costs that are going to impact on agriculture?

Mr HINCHLIFFE: I thank Mr Malone for the question. Certainly while the very specific nature of the agriculture sector and how important that is to that broadly diverse economy that we enjoy here in Queensland—the one I mentioned in highlighting that the Queensland economy is not a one-trick pony like some other jurisdictions—

Mr MALONE: But as a segment it is very important.

Mr HINCHLIFFE: Absolutely; it is vitally important. It is fair to say that there are a whole range of things on which we and certainly the Department of Employment, Economic Development and Innovation will keep a watchful eye on to ensure that we understand the impacts of any economic change or any economic reform—

Mr MALONE: Have you got any idea at all?

Mr HINCHLIFFE:—including the introduction of a price on carbon.

Mr MALONE: You have got no idea?

Mr HINCHLIFFE: Mr Malone, I think I have made it clear before that we will continue to be responsive and make sure that all of our programs and our responsiveness to the economic development of the state are responsive to the ways in which any number of issues for our economy will impact upon the economy.

Mr MALONE: So you are just going to wait and see?

Mr HINCHLIFFE: It is certainly important that we be pre-emptive and responsive to potential impacts of any economic change, including the changes we have experienced as a result of the readjustment of the value of the Australian dollar, the changes that have impacted significantly upon our economy and upon employment issues in relation to the natural disasters that occurred earlier this year.

Mr MALONE: We have no control over the Australian dollar; we have some control over a carbon tax.

Mr HINCHLIFFE: These issues are vitally important. Another alternative that needs to be understood is I wonder whether Mr Malone is going to tell us what sort of modelling has been done by those people who oppose putting a price on carbon to the damage that that will do to the agriculture industry here in Queensland—

Mr MALONE: Prove it.

Mr HINCHLIFFE:—if you do not see the management of climate change.

Mr MALONE: I ask the questions; you answer.

Mrs STUCKEY: He is asking you the question.

Mr HINCHLIFFE: I think it is quite right and appropriate that we will maintain our watch on the impact on things like long-haul transport operators in Queensland and the regional and remote communities that they service from a manufacturing perspective, which was not what you were focusing on. We need to be alert to the potential of higher energy costs and material and transport costs that are going to impact upon them. But these all have to be understood in the context of how vitally important the economic reform that putting a price on carbon is in the face of Queensland, an exporting economy, being engaged in a carbon-constrained world. I do not think that—

Mr MALONE: Who else is doing that, Minister?

Mr HINCHLIFFE: I do not think that putting our heads in the sand and saying that moving towards putting a price on carbon is unacceptable is the way to go forward. If you look at the specifics of how this government is responding to the challenges that are faced by the agriculture sector, Minister Mulherin has launched a new food strategy and I would be happy to turn to the director-general if he wanted to make some additional comments about how that is responding to the challenges—the broad set of challenges—that are faced by agriculture in this great state.

Mr MALONE: Minister, I have some—

Mr HINCHLIFFE: Sorry, but I have asked the director-general to make some further comments. Do you not want to hear them?

Mr MALONE: I am not getting an answer to my question in terms of how farmers are going to actually offset the cost of carbon on their properties. You talk about their competitors and all of the rest of it, but the reality is that Australia is the only country that is actually putting a price on carbon right now.

Mr HINCHLIFFE: And the package—

Mr MALONE: The farmers are in a situation where they are price takers, so I think I will move on, Minister, if you do not mind.

Mr HINCHLIFFE: I think you need to look at what is going on in New Zealand, which are obviously significant competitors to the Queensland agricultural industry.

Mr MALONE: You have done no modelling. You have not got a clue what is going on.

Mr HINCHLIFFE: The European Union—

CHAIR: Order!

Mr HINCHLIFFE: They are two areas where you certainly do have a price on carbon.

CHAIR: Order, Minister! We only have a minute or two left. The member would like to move on.

Mr MALONE: Thank you, Mr Chair. We might change the subject, Minister. I would be interested in your response to the fly in, fly out situation we are seeing in Central Queensland. Obviously there is a need to get employees into Central Queensland—I understand that—but there certainly is a concern from residents who live in that area in Central Queensland about being disenfranchised by the fact that mining companies will be moving towards 100 per cent fly in, fly out. What is the attitude of your government in respect of that matter?

Mr HINCHLIFFE: I thank Mr Malone for giving me the opportunity to talk about this important issue. Clearly the structure of the Queensland economy is changing. Growth in the resources sector means that new jobs are increasingly found in regional and remote areas of the state. As we know, Queensland is a highly geographically dispersed state, creating significant challenges for us to try to provide the skills and labour that resource projects require. In some communities the scale of resource development is far greater than the local communities can provide or accommodate or there is no local community nearby. I understand that you were particularly referencing what is going on in those areas of Central Queensland, and I am very well aware of the issues and the concerns that many people in those local communities have about the implications of companies wanting to drive further towards a greater emphasis on fly in, fly out or drive in, drive out. Let me come to that.

Mr MALONE: Are you supporting 100 per cent fly in, fly out?

Mr HINCHLIFFE: The government believes that resource workers need to have the choice about what arrangements they make. The last time I looked I thought that in Queensland and in Australia we lived in a free society. I like the idea that workers can choose where they live. That is in essence the Queensland government's view. The government wants to work towards ensuring that these choices are available to a person or a family when they are considering their living arrangements. As you know, Mr Malone, there are plenty of resource workers—mining industry workers—who are making the choice that they prefer a fly-in, fly-out or a drive-in, drive-out arrangement. But there are equally really resourceful—pardon the pun—communities like Blackwater and Moranbah which I think deserve the opportunity for the locals in those communities to continue to play a great role in the expanding opportunities of the resources sector and also see others join them and become part of those communities. That is why I have been very active not only in my current role but also in my former role as minister for infrastructure and planning in working with those communities and discussing with them their concerns.

Mr MALONE: So basically the government has no view?

CHAIR: Thank you, gentlemen. The committee will now break for lunch. The hearing will resume at 1.45 pm with the continued examination of the budget estimates for the organisational units within the portfolio of the Minister for Employment, Skills and Mining in respect of Skills.

Proceedings suspended from 12.46 pm to 1.45 pm



CHAIR: The estimates hearing of the Industry, Education, Training and Industrial Relations Committee is now resumed. We will continue with the consideration of the proposed expenditure for the portfolio of the Minister for Employment, Skills and Mining in respect of skills. I invite the minister to say a few words to begin this session.

Mr HINCHLIFFE: Thank you, Mr Chair, and members. As I said before lunch, the 2011-12 state budget lays a strong foundation for economic growth in Queensland. Treasury predictions put economic growth this financial year at five per cent, with some 140,000 jobs expected to be created over the next two years. We will need all hands on deck to make this happen and take advantage of what is an enormous economic opportunity. Since 2006-07, we as a government have steadily increased the vocational education and training budget by more than \$190 million, with more than \$730 million invested this financial year.

This financial year, we have also invested \$10 million in Skilling Solutions Queensland and \$558 million in TAFE institutes. Skills Queensland will also continue to play a very important role this financial year in preparing Queensland for the labour force needs of our economy as it enters this period of strong growth. Through Skills Queensland, this government is reforming the skills training environment to one that puts industry's needs front and centre. It is an approach that was endorsed by the federal government when it released its budget in May, with a strong skills agenda following Queensland's lead.

Queensland is on the cusp of significant economic growth and all Queenslanders should reap the benefits. This government is not only providing opportunity for Queenslanders to take part in that economic prosperity coming our way; it is working closely with industry modernising the state, our industries and our economies.

CHAIR: Thank you. I call the member for Mirani.

Mr MALONE: Thank you very much, Mr Chair. Minister, I refer to the Queensland state budget 2011-12 Service Delivery Statements at page 3-61. This notation speaks of reform of the TAFE system. Media reports in my local area indicate that the Central Queensland Institute of TAFE and Central Queensland University are to merge as part of that reform. Given that the Central Queensland Institute of TAFE has struggled financially recently, can the minister advise what state funding will be allocated to support this merger? What will be the impact on TAFE staff in terms of job losses as a result of the proposal?

Mr HINCHLIFFE: I want to thank Mr Malone for his interest in the future of the Central Queensland Institute of TAFE and, indeed, Central Queensland University. As they are clearly important higher educational institutions that are servicing his community in Central Queensland, I appreciate his keen interest and I know that that keen interest is shared by other members representing the Central Queensland region as well, including on the government side.

Let me say from the outset that the committee should not believe everything it reads in the papers. I should make it clear that, while there is certainly a proposal for the Central Queensland University and the Central Queensland Institute of TAFE to merge—for the two institutions to form a dual-sector university—this is still a matter of ongoing consideration by the Queensland government. There has been no determination as to whether that merger will be something that will occur.

CQU was advised that consideration of the proposal would take place in the context of options to address the skilling challenges facing Central Queensland. As a consequence, the government will consider the proposed terms in alignment with its policy objectives of improving the relevance, accessibility, effectiveness and sustainability of education and training services across the region.

A merger with CQIT to form a dual-sector institution is not the only avenue for CQU to deliver both higher education and VET courses, and both CQU and the government need to consider the full range of options. If the government supports the proposal, a number of issues will need to be worked through, including ones that have budgetary implications, as I guess your question is pointing to. They are things like the ownership of assets, the continuation of state funding and the status of staff.

I have engaged with a number of the interested parties around this issue since I became the minister in February. There certainly has been, as you mentioned, some media coverage implying that the merger proposal will be approved. But as I have said, at this stage no decision has been made. A merger is one of a number of courses that are under active consideration. I will continue to engage with all of those key stakeholders who are very important to this question while the government is preparing to make a decision on this matter. Clearly, until we make a decision on that matter you cannot make a determination around the budgetary implications of that matter.

Mr MALONE: Minister, this issue has been going on for quite some time. In consequence, the Central Queensland Institute of TAFE is bleeding. When do you expect a decision to be made?

Mr HINCHLIFFE: I do not accept the view that the Central Queensland Institute of TAFE is bleeding in that regard.

Mr MALONE: The numbers are decreasing.

Mr HINCHLIFFE: There certainly are significant challenges, as there are across-the-board in the sector. But certainly, with the great opportunities that present themselves with the growth forecast from various sectors, but particularly from the resources sector in Central Queensland, there are significant opportunities going forward for the whole range of options for the future of the Central Queensland Institute of TAFE, be it a dual-sector option in a merger with CQU, be it a range of other partnerships with other institutions, be it continuing to expand and engage its current tasks.

Mr MALONE: When do you expect to make a decision, Minister?

Mr HINCHLIFFE: They are matters that are clearly before the government at the moment. As I have made clear, these are matters that have been informed by the importance of funding opportunities arising from the Commonwealth government that are very important to the consideration of these

matters. So the timing of this is clearly very important. I can assure you that it is a matter that is very much at the forefront of government decision making, but until that decision and determination is made it is not one that I can anticipate.

Mr MALONE: Have you made a submission to the federal government for funding to make this happen or not?

Mr HINCHLIFFE: It is not up to the Queensland government to make a submission to the federal government about those matters. There have been submissions that have been made by the Central Queensland University, and the Queensland government has played a role in supporting CQU in those activities. I might see if the director-general wants to add to that in the role that she has also in support of higher education.

Ms Grantham: That is correct, Minister. The Structural Adjustment Fund that is run by the Australian government has been the focus of a submission developed by Central Queensland University. In order to make that submission it was a requirement that they get an indication of whether Queensland was willing to look at a dual-sector university. That is something that the portfolio has been looking at. So the submission was to say that there is in-principle support for such a merger to support Central Queensland through that, subject to the consideration by government of that submission.

Mr MALONE: Is there another model of this type of venture in Queensland—or in Australia, for that matter?

Mr HINCHLIFFE: There are no other dual-sector institutions in Queensland. There are a number of dual-sector institutions across the rest of Australia, particularly in Victoria and in the Northern Territory. Again, I might turn to the director-general to give you some of those specific examples.

Ms Grantham: Yes, there are a number of models that have been identified that dual-sector proposals can follow. In Victoria in particular there are a number of different ones where there are complete mergers of both the VET and the higher education pathways. In other models they are stand-alone pathways. In other models they are a merging or a blending.

Mr MALONE: So basically they are all different?

Ms Grantham: Yes, they can be all different. That would be part of the consideration should government wish to go forward.

Mr MALONE: Okay. Thank you. Minister, I would like to ask some questions about the Southbank Institute of Technology. If you could bear with me for a little bit I might give you some information on it. I refer to the Queensland state budget 2011-12, Service Delivery Statements page 3-102. The Southbank Institute of Technology performance appears to be nosediving. The number of students completing certificate III and above in 2010-11 was forecast at 25,280 and achieved 14,400. The forecast for 2011-12 is 16,000. Revenue forecasts have gone from \$127 million to an actual of \$95 million in 2010-11 and the forecast for 2011-12 is \$108 million. Equity in the institute this year has decreased by \$9.948 million. The notes in relation to these figures indicate that one cause of this is 'increases in contribution to the SETP PPP'. You would understand what that refers to. I understand that the public-private partnership at the Southbank institute includes a funding contribution by Southbank from its surpluses over the life of the PPP. Minister, what was the budgeted and actual contribution in 2010-11 from SBIT to the PPP?

Mr HINCHLIFFE: With respect to the details of that, I might invite the appropriate officer to come forward and answer that.

Ms Grantham: Yes. We have the acting director of the Southbank Institute of Technology in the chamber.

Ms Tyler: Thank you for the question. In reply to the payment for 2009-10, the SETP payment was \$13,168,769.

Mr MALONE: Was that the budgeted amount or the actual amount?

Ms Tyler: That was the actual amount.

Mr MALONE: Okay. How much is budgeted to be paid in 2011-12?

Ms Tyler: The 2010-11 actual was \$11,940,087 and for 2011-12 the forecast is \$15.509 million.

Mr MALONE: Minister, in regard to the issues that I raised earlier, then, can you confirm that the costs of Southbank will always be met in respect to the matter that it is a PPP and there is a 30-year life span? In highlighting the issues I raised in my introduction to the situation, what is the government's position on confirming and ensuring that the contributions to the PPP will always be met? Given the equity reduction in 2011-12, does that mean there is some question about the ability of the Southbank institute to pay those costs? Are they possibly going to be met by the department?

Mr HINCHLIFFE: Thank you, Mr Malone, for the question. I think it gives me an opportunity to highlight the great work that the Southbank institute is doing.

Mr MALONE: Minister, I understand the great work. I am just concerned about the PPP and the contribution that the government may have to make towards it. So it is more a financial issue than a question about performance.

Mr HINCHLIFFE: I think the key thing there is to see the opportunities that the institute has to continue to fight back from some of the challenges that it has faced, particularly in relation to the—

Mr MALONE: I understand that—

Mr HINCHLIFFE:—drop in revenues, particularly as a result of the international students market impacting upon those revenues. It is clear that the board are currently developing strategies to maximise the opportunities presented by some of those things that I mentioned earlier, including the great, significant contribution to the VET sector out of the federal budget and taking advantage of the Skills for Prosperity report to move some of their variable cost base structure around to be more responsive. Clearly, ultimately, if that is unsuccessful and there is not the same capacity as we would like to see for the institute to be contributing to meeting the financial needs of the PPP, then that is a matter that the government will have to look at.

That is not the only method and opportunity. There is ongoing engagement, work and strategies being undertaken and considered by the board about how they can use those facilities to meet the needs that might exist around other particular educational institutions that have a foothold on that south side of the river, just over the way there, that might be of significant assistance with improving the revenues that are available for the buildings and help them meet those PPP requirements.

Mr MALONE: I am hearing you say that basically the government will put a safety net under the situation. Obviously we are in commercial reality here where there is a real commitment to the PPP by Southbank as well as commitment by the government. Are you giving me assurances that the government will underpin the commitments by Southbank and that the board is working actively towards ensuring they have the ability to meet their commitments? Can you clarify that a little bit more for me?

Mr HINCHLIFFE: The thing I would highlight is that ultimately these are things government would have to consider and have to take account of in the way that they dealt with things in their budget. But my advice from the board of the Southbank Institute of Technology is that they have great confidence in their ability to work their way out of these challenges and to meet the obligations that they have as part of the PPP. While wanting to acknowledge that this is an important institution and one where the facilities have delivered an extraordinary benefit to the VET students who have been accessing them through Southbank, and we want to see that continuing to occur and those great facilities being made available to students across the board here in Brisbane and here in South-East Queensland, I do not want to jump ahead of ourselves and suggest that there is something that we need to be contemplating that would ultimately be something that government would have to consider but it is not something we are having to face in the short-term.

Mr MALONE: Just to explore that a little bit more. Obviously it is a magnificent complex. I believe it was about a \$500 million investment and it is very important that it meets its commitment. I take heart from the fact that the board is looking at some of those opportunities. Has the board made some decisions in respect to the initiatives it will undertake to get that facility back on track? Perhaps Robyn might want to highlight some of those issues for me?

Ms Tyler: Basically when we developed the budget—we developed the budget in March—one of the areas at Southbank Institute of Technology that we were looking at that we would deliver is a cert IV and above in qualifications. Obviously with the Skills for Prosperity, the Commonwealth government budget process, we are looking at strategies to implement a move back into the cert III—that those cert IIIs are nested into the cert IVs because that is where the majority of the budget funding is from a Commonwealth perspective. We are also looking at opportunities in regard to subleasing of some of the surplus areas of the campus as well as developing a more viable cost model. If you look from an institute perspective, in 2010 the institute came in at \$4 million in the black. In 2011 we said that we would actually come in at zero and we have actually come in at \$2.6 million. We have actually continued to look at reducing the costs and increasing revenue. From a revenue perspective, while there has been a decrease in revenue—flat revenue over the last three years—we are hoping in particular in the fee-for-service domestic area that overall we will have an increase of two per cent in revenue for this financial year.

Mr MALONE: These are difficult times to be renting excess space at a facility such as yours in a fairly competitive market. Are you confident that you can actually utilise that extra space and actually make a good return on that? Is the board confident of being able to do that in this commercially difficult market?

Ms Tyler: It is a very commercially difficult market. We are working with the department in regard to our leasing agreement with the department and Southbank. Once we finalise that—and it is the final stages of signing off that sublease—Southbank and the department will have the opportunity to work on, whether it is universities or other areas in the VET sector, developing a further partnership hopefully with

a university because if it is with a university then it actually gives our students the capability of a pathway: staying on Southbank campus but also the opportunity of going through from a cert IV into a diploma and then moving straight into a degree option.

Mr MALONE: I look forward to keeping an eye on that. I refer to the Queensland state budget, 2011-12 service delivery statement 3-61. In relation to TAFE trade institute SkillsTech, for three of the four years 2006-07, 2007-08, 2008-09, 2009-10, SkillsTech has made significant losses. Miraculously, the forecasted question on notice No.4 non-government we requested shows a zero position at 2011 and then a forecast loss of \$2.48 million in 2011-12. The zero figure that appears in that table seems almost unbelievable. This institute represents the flagship trade institute for the state with over \$140 million spent at the Acacia Ridge campus. However, it appears to be doing very badly in managing its budgets to play its role in the training market. Given the pinpoint accuracy of the zero forecast position I am prepared to make an RTI request on the details of exchanges from the institute over the last two months or so. Can the minister advise what was the institute director's forecast at the end of June result in their advice to the department in June 2011 and has the institute director's forecast advice changed since then and, if so, why?

Mr HINCHLIFFE: I thank Mr Malone for his question and his interest and observation of what a great facility SkillsTech is, particularly that facility there at Acacia Ridge. Based on estimates used in developing the consolidated departmental financial statements as set out in the SDS, as you have made mention, the projected overall 2010-11 net operating result for SkillsTech is indeed zero dollars. This estimate may indeed differ to the actual end of year position, of course. The actual results will be finalised in August 2011 when the department's financial statements are certified. Forecasts for 2011-12 are yet to be determined due to the current commercial contract negotiations that are pretty important to the ongoing work that SkillsTech does.

Mr MALONE: You are relying on period 14 to actually define the overall result of last year?

Mr HINCHLIFFE: That is the case, and that is always the way these budget positions are determined.

Mr MALONE: Is it possible for you to give me the figure as at the end of April 2011?

Mr HINCHLIFFE: I will take that on notice or, indeed, seek to get that to you before the end of our session today.

CHAIR: It is now time for government questions.

Mr KILBURN: We all know that the start of this year was particularly difficult with floods and cyclones impacting on the Queensland community. Could the minister report on the role that Skills Queensland has played in the recovery effort?

Mr HINCHLIFFE: I thank Mr Kilburn for his question. As we did discuss in our earlier session, the challenges of floods and cyclones certainly did affect how we responded to things and it was very important that Skills Queensland played a role in the recovery effort through the development and implementation of the Natural Disasters Jobs and Skills Package that I did mention earlier. I think it would be a good opportunity now to make sure that the committee had a bit more detail about the make-up of that \$83 million package which is indeed designed to assist some 10,000 individuals—not only assisting them in their opportunities in the workforce but also assisting the local communities that had been affected by those natural disasters. It is vital that we are able to meet the needs of industry with a world-class skilling system, and certainly Skills Queensland is part of that. In playing that role in responding to the circumstances of the summer of natural disasters there were some great challenges that had to be faced based upon making sure that we retained apprentices and trainees in businesses that were affected by these disasters. The Queensland government met those challenges head on with the development of this package, a joint package with the Commonwealth government, and I want to thank the federal government for the speed with which they were able to negotiate and discuss with Skills Queensland and the Department of Employment, Economic Development and Innovation the creation of this package. They contributed some \$38.5 million towards the package and the state provided \$44.4 million. Skills Queensland coordinates the package and has contributed some \$11.4 million which is drawn out of their strategic investment fund to see it delivered.

The package consists of four key skills and employment initiatives including community capability, which was the funding of \$16.55 million to rebuild the capacity of affected communities to support local industry, coordinate employment and skills assistance and to maximise the available funding opportunities which were available under the package. Green jobs—this is a funding of some \$39.3 million to provide employment and work experience opportunities to eligible people to participate in the projects targeted at rebuilding community and public infrastructure and, indeed, environmental infrastructure following those natural disasters. There is also, significantly, apprentice support, and this has been funding of some \$14.15 million to implement measures aimed at supporting employers to retain apprentices and trainees and to furthermore provide employment and training opportunities to apprentices and trainees who had been stood down or had their employment terminated in the wake of the disasters. There was also the priority skills development funding of up to \$13 million aimed at

training to address priority skills development in regions and industries that had been directly affected by the disasters. This funding has also been directed at supporting the CWP, or Community Work Placement, projects providing pre-employment training aligned to local work opportunities and to support Indigenous participation and other possible local priorities.

This broad range of packages that were part of the response to the needs of affected communities provided benefits to those affected communities including paid work for people, gaining new skills and qualifications, employment retention and a chance to participate in restoring damaged community and environmental infrastructure in their own backyards. I will give the committee one really concrete example of this: one of the things that the package did was provide funding for people to do things like gain tickets for the operation of chainsaws so that they could jump in and effectively and safely be part of the clean-up process and also develop the skills of those particular people so that they could improve their employment opportunities into the future as well.

Mrs SCOTT: Whilst on flood recovery, I understand that SkillsTech has been providing training to help people who were flood affected to get back on their feet. What else does SkillsTech do to keep Queensland's economy moving?

Mr HINCHLIFFE: I thank you for that question and will highlight the great things that SkillsTech is achieving. SkillsTech Acacia Ridge campus is surrounded by Brisbane and Ipswich suburbs that were significantly affected by this year's floods. To provide support to the surrounding community, SkillsTech has designed a set of DIY courses to help homeowners as they rebuild their homes and lives. The short home maintenance courses are helping homeowners who require basic skills to safely repair minor damage to their properties. There are night-time courses offering basic lessons in painting and decorating, replacing damaged plasterboard and floor coverings and wall and floor tiling, all those sorts of things that are really significant in those communities where that flooding impact has been so devastating.

I say to all the members of the committee: that is just one example of how the institute has been modernising the way trade and technical training is being delivered at those state-of-the-art facilities. Taking the opportunity to broaden the ways in which they are delivering training is pretty important. The site is being developed as a specialist trade training centre for the delivery of automotive, construction, furnishing, engineering and electrical trade training. As was highlighted by Mr Malone, and we have spoken about this, it is a great campus and there was a significant contribution to its development.

SkillsTech Australia is also helping Queenslanders address the state's demand for skilled workers by providing high-quality training that meets the changing needs of learners and, indeed, the industries from which they want to get employment. It has designed a number of strategies to improve training and employment outcomes, including reprogramming training to double the number of block training opportunities and improve delivery options in carpentry through more flexible delivery—from time to time, one of the things that you hear from industry is that they are concerned about the way that TAFE delivers things and, certainly, a greater level of flexibility is one of the things, across-the-board, we have seen TAFE seeking to provide, so SkillsTech is a great example in that regard; the opening of new facilities at Acacia Ridge and Bracken Ridge to address the unmet need in plumbing, electrical and refrigeration airconditioning; and working in partnership with large organisations to provide support for on-the-job training—and big companies like Toyota, Hastings Deering, Hutchinson Builders, Scooters Australia and Airport Link have all played a particular role in that regard. There is a vast array of things that SkillsTech have been doing, not only to meet the needs of their local community in that time of need but also to continue to be innovative in the way they are delivering opportunities for training and skills development for industries' purposes.

CHAIR: Minister, the principal campus of the Southern Queensland Institute of TAFE, the Toowoomba campus, is in my electorate. Can you tell us of its worth to Toowoomba and the Darling Downs, and to Queensland generally?

Mr HINCHLIFFE: Mr Chair, I know that you regard it as being of great worth and you are a great supporter of the Southern Queensland Institute of TAFE, as you say, not only for your electorate but also for the way it delivers great resources and opportunities across the region that you are such a good advocate for. It has a role in providing training and learning opportunities for people across their chosen fields, be it in the Darling Downs, the south-west or anywhere. I hear Dr Flegg's phone. Obviously, people are trying to get onto him to find out more about how the Southern Queensland Institute of TAFE can help them. He is a great advocate of the Southern Queensland Institute of TAFE.

The institute was created in response to the challenge given to TAFE Queensland to improve the use of its resources, create extra student places, increase its course offerings and provide better long-term planning for the development of facilities and the delivery of training. As you would be very aware, Mr Chair, there are nine campuses located across the Darling Downs and other parts of Southern Queensland—in Cherbourg, Chinchilla, Charleville, Dalby, Warwick, Kingaroy, Roma and Stanthorpe, as well as the Queensland College of Wine Tourism at Stanthorpe and the institute in Toowoomba. The SQIT delivers over 400 jobs within the region. I am pleased to highlight the 3.7 million hours of training

delivered to over 19,000 local, interstate and international students across some 34 vocational areas as a testament to the great work that SQIT is doing in your region. It is a symbol of the great work that TAFE institutes are doing across the length and breadth of Queensland.

SQIT's key areas of expertise and service delivery centre around custom designed training solutions; remote location and flexibility delivery; recognition of prior learning services; energy sector training for the mining and resources sector, which is very important with the burgeoning of opportunities in the south-west; engineering, automotive and construction training; food and meat processing; rural and horticulture; hair and beauty and personal services, which is something that I know the chair is very attuned with; child care, community services and health; and engineering, electrical and construction. Over the past two years the institute has been collaborating with other regional TAFE institutes, forming a TAFE Queensland regional network that delivers flexible, innovative learning solutions across regional Queensland communities. They have been very innovative in that regard.

As a result, the SQIT is the largest provider of practical, relevant and quality education and training in South-West Queensland and is working in partnership with others to deliver programs across a catchment area that covers one-third of the state. Therefore, I highlight how important it has been, particularly as we look forward, as I have mentioned, to the energy sector. It has particular significance for the emerging workforce within the Surat energy basin, where the institute is working actively to provide coal seam gas to liquefied natural gas and soft infrastructure training to meet industry and community needs. It is delivering a great level of services to the local community and is also working in close collaboration with mining and other resource companies that are interested in exploring and developing the Surat Basin coal and gas resources. The institute has really structured its customised training offering to meet that industry need. It is a great example of being industry led and delivering on good industry partnerships. I was inspired by Mr Malone's enthusiasm for CQIT and can tell the committee that SQIT is also doing good things.

Mr KILBURN: What are the Indigenous training initiatives that the government has administered over the past 12 months and how have they operated?

Mr HINCHLIFFE: I thank Mr Kilburn for his interest in this really important element of training delivery. As I mentioned in our earlier session, with the skills shortage that this state is facing it is vitally important for the whole of the economy that we ensure that each and every Queenslanders who can contribute to our economic development and our labour force plays a role. It is particularly important for Indigenous Queenslanders to make a significant difference to themselves, to their families and to their communities. As a government, we are very concentrated on delivering not only employment programs but also skills development programs to support the involvement of Aboriginal and Torres Strait Islander Queenslanders in getting engaged with and skilling for the future development of our state's economy.

For instance, we have committed to creating at least 2,800 jobs for Aboriginal and Torres Strait Islander people by June 2013, equating to some 2.6 per cent of total government employment. Those are government jobs. We are committed to seeing a greater engagement of Indigenous communities in those opportunities. In that context, the training portfolio has a commitment to increase its own Indigenous employment by some 212 persons by June 2013. To achieve that, we have strategies about increasing the representation of Indigenous employers across all classifications and levels, improving career pathways and providing professional development opportunities for Indigenous employees, developing cultural awareness across our service, closing the gap on Indigenous unemployment and building relationships with students, communities and education providers.

There is also some specific funding for Indigenous students. In addition to core funding, in 2010-11 the education and training needs for Indigenous students received specific funding through things such as \$2.7 million for the fourth and final year of the Training Initiatives for Indigenous Adults in Regional and Remote Communities Program. That is a joint state-Commonwealth initiative. There is \$2 million for the Indigenous education program to support the employment of Indigenous personnel in Queensland TAFEs, including statutory authorities. There is \$1 million for the Regional and Remote Indigenous Peoples Program, aimed at increasing Indigenous participation in employment through training that caters to local industry demand. There is \$932,000 for the Cape York Employment and Training Strategy, which provides community driven training, and \$3.2 million for the Indigenous Funding Pool, which provides supplementary funds to Queensland TAFE institutes for a range of support initiatives. As a consequence, Indigenous Queenslanders are participating in VET and have achieved qualifications that have enhanced their prospects to participate in the economic development of Queensland.

The Commonwealth and the state jointly fund the training initiatives for Indigenous Adults in Regional and Remote Communities Program, which provides more than \$18 million over four years—2007 to 2011—to fund training support services and projects to build the skills of Indigenous working-age adults in regional and remote communities. Since the implementation of the program, some 2,434 participants have enrolled in training to gain skills and knowledge to enter into the workforce. The training was varied to meet industry demand—a constant theme of what we do in everything across the VET sector. Some of the training industry groups that have benefited from the program include those in the mining, community services, engineering, primary industry, transport and distribution sectors.

Through the program, funds have been granted to Myuma Pty Ltd, which I mentioned earlier when we were talking about some of these issues before lunch. Myuma Pty Ltd is a non-profit organisation, owned and operated by Aboriginal people to deliver training programs targeted towards sustainable employment outcomes. As part of the program, participants receive job preparation training; individualised life-skill support; language, literacy and numeracy tuition; as well as individual mentoring assistance. Myuma has formed key strategic links with industry, particularly within North-West Queensland, including the mining and civil construction industries. Participants have joined the program from various communities across the state including Aurukun, Djarra, Yarrabah, Palm Island, Mornington Island, Ravenshoe, Rockhampton and Ingham. Throughout the four years this program has been running, a total of 78 agreements have been executed between the Department of Education and Training and the suppliers to deliver training and training support services for Indigenous people in regional and remote areas of Queensland.

That gives you a broad brushstroke. Having visited the Myuma camp near Cloncurry, I know firsthand of the work going on there and, I have to say, the great confidence of a lot of the young Indigenous people who are receiving that training and mentoring. I know that members of the committee will have had the same experience as I when they have had opportunities to meet with young Indigenous people who have not always had the same opportunities. Sometimes you find that those people do not have a great deal of confidence when they are talking to you—they do not want to look you in the eye—and there are a few issues such as that. My experience at Myuma was that these young people were on the way somewhere, because they had confidence that they were getting skills and opportunities through this great program, and they also knew that there was a job at the end of the process. That is why we see the latest output figures, where 26 out of 28 participants in that Myuma program have already secured work in the mining or the construction sector.

Mrs SCOTT: Minister, how is the government meeting the Q2 targets in the VET sector?

Mr HINCHLIFFE: I acknowledge how important it is, as a government, to have long-term visionary commitments through things like our long-term vision for Queensland in *Toward Q2: Tomorrow's Queensland*, including the *Toward Q2 Smart—Qualifications 2020* target. I am pleased to say that since 2007 the percentage of Queenslanders with a trade training or tertiary qualification has grown from 50.3 per cent to 54.1 per cent. The government is committed to meeting the 2020 target, which is 75 per cent. That is an ambitious target but one that is very important.

This means assisting Queenslanders to gain qualifications through three major priorities. The first is boosting industry investment and ownership in skilling. Skills Queensland was formed and started operation at the beginning of this year. It will improve skills investment and strengthen our critical partnerships with industry and businesses right across Queensland. That is their key commitment. We also need to widen access to tertiary education and training by breaking down some traditional barriers to a qualification achievement. This means working with stakeholders to identify and address the problems they have in accessing courses and finding information that will assist them in the choices for their study. Also, it is improving pathways between school and tertiary education, and between vocational education and training and higher education. It is about making sure that people do not get lost trying to navigate their way through different opportunities. In 2011-12, these pathways to qualifications will be supported by a statewide Training and Career Information Service, providing a recognition of prior learning and career pathways. It will be delivered through Skilling Solutions Queensland and the apprenticeship information line, which are two significant initiatives that provide support to people.

In 2011-12 the government will provide \$1.4 billion to the vocational education and training sector to assist Queenslanders with skills needed for sustainable employment in our traditional or emerging industries. There is a whole range of ways in which we can continue to supply that support. As I mentioned earlier, it is vitally important that industry has a commitment to this process as well. That is where it has been good to have Skills Queensland leading that partnership. It is continuing to make sure that we give people a chance to have access to quality tertiary education and training, which is what leads to those qualifications and opportunities.

Since 2006 the Queensland Skills Plan has provided a blueprint for reforms. The recent evaluation of the plan showed that we have made progress in improving access to tertiary education and training by creating some 14,000 additional higher level training places. Of course, qualifications, demand, participation and completion rates can be impacted upon by economic cycles, and certainly we have seen that. Apprenticeship commencements are just now bouncing back after the global financial crisis and a further whack from the summer of natural disasters has greatly impacted on vast areas across Queensland. However, in spite of difficult conditions, we remain committed to those long-term targets. This financial year the Bligh government is going to invest again, as I said, that \$1.4 billion in training.

Mr MALONE: When we finished the last session I asked whether you would take on notice the end of April figures for SkillsTech. I am just wondering whether I can expand that to include the other institutes? Could you possibly update the figures as at the end of June in respect of the table that you provided to me in question No. 4? Is that okay?

Mr HINCHLIFFE: I can give you those details in relation to SkillsTech as at the end of April. The year to date position at the end of April is—

Mr MALONE: I would prefer you to expand that to the other institutes as well if that is possible.

Mr HINCHLIFFE: I can give this to you now and I will take on notice whatever it is you are seeking and we can try to do it.

Mr MALONE: I do not need it today. That is fine.

Mr HINCHLIFFE: The year to date position to April, which you asked me for earlier and on which I said I would come back to you, for SkillsTech is a \$3.39 million deficit. The year-to-date budget, that is to April, is a \$1.719 million deficit. The annual budget target was a balanced budget, as was highlighted.

Mr MALONE: Thank you very much, Minister. If you can supply those other figures I would appreciate that as well.

Mr HINCHLIFFE: I draw to your attention that we will not need to supply the end of year because that was actually supplied in the answer to non-government question on notice No. 4.

Mr MALONE: I understand that. I thought you may have some updated figures because I do not actually believe those figures.

Mr HINCHLIFFE: We will not have them until August and I think the committee will have to table its report in the parliament before then. So I do not think we will be able to help you in that regard.

Mr MALONE: That is fine. I want to put this on record because I am not sure whether I clarified it earlier in the last session. There is no way in the wide world that I support a carbon tax. A tax is not going to make any difference to the atmosphere and the earth. If there was any implication that I was supporting a carbon tax, I reject that totally. So we will carry on. I just wanted to clarify that.

Mr HINCHLIFFE: I thought it was useful to note that you were the first conservative figure—

Mr MALONE: You made that assertion, Minister.

Mr HINCHLIFFE: I have noticed in the last week that you were highlighting the silver lining.

Mr MALONE: I was looking for a silver lining and I did not get it. Let us carry on. My question is to the minister again. In reference to 3-65 of the Service Delivery Statements, the Queensland post secondary education training review report produced by Peter Noonan. I believe the report was completed in November 2010 and yet it has still not been released. It is now—and I need not point it out to you—mid July 2011. I have a couple of questions. How much did the report cost? If possible, how much were the consultancy fees that were paid to Peter Noonan? Is the project team as indicated still in place and how much has that cost? Will that be ongoing in 2011-12? When does the minister expect that this report will be released?

Mr HINCHLIFFE: Perhaps I will address Mr Malone's questions in reverse order. Let us come to the issue of how that piece of work is going to inform government decisions around broader settings and reforms for the VET sector. Since the Queensland government commissioned that work that is referred to around the VET sector, we have seen the national skills agenda released as well, providing a whole new context. In fact, there has been a range of other inputs that have overtaken some of that work such as Skills for Prosperity, the Productivity Commission review of VET, skills for the 21st century, the national VET regulator, changes to the AQF and, indeed, those federal government budget priorities that were highlighted earlier. I want to make it clear that the state understands that there is no point in the state acting alone outside of a national context. That is why we will consider wide-ranging sources, including that work to which Mr Malone referred, to inform future policies and those sources will be released at the appropriate time. We will take that on board and use it.

To answer the specific question around the costs of that piece of work that was provided for by the Allen Consultancy, if you look at the budget documents, you will find the detail of that in there at the cost of \$405,244.32.

Mr MALONE: GST obviously?

Mr HINCHLIFFE: That is right. To that end, that will contribute to and will inform the broad-ranging considerations the government will make around VET reform along with that broad range of other issues, particularly with Skills for Prosperity and skills for the 21st century work that has come out of Skills Australia.

Mr MALONE: Does the cross government steering committee have a budget? How many people are on that committee?

Mr HINCHLIFFE: That committee is made up of a range of people in their substantive positions and that committee work is part of their ongoing role. I might turn to the director-general to answer more specifically in relation to that.

Ms Grantham: Yes, the minister is correct in that that work is part of a normal ongoing role. For example, I chair the cross government representative committee. There are representatives on that committee from the Department of the Premier and Cabinet, Queensland Treasury, Skills Queensland,

DEEDI—a whole range of people who have an interest in VET reform. I should also say that includes Training Queensland. All the people who are there are in substantive roles, have knowledge and background, and had contributions to make as this work was developed.

Mr MALONE: Indeed, the consultancy also obviously has prepared the Skills Australia report as well. In terms of the project in Queensland carried out by the consultancy, does that necessarily mean that the report that was done for Queensland is now redundant? How does that complement or otherwise the report that has been done for Queensland?

Mr HINCHLIFFE: Let me particularly highlight and reiterate again for Mr Malone that I am pleased to see things like the Skills Australia Skills for Prosperity report. Indeed, the hard commitments that we saw out of the federal government's budget recognising the need for an industry-led VET system is something that the Bligh government has already recognised and acted upon with the establishment of Skills Queensland. However, there is always more to be done and the Bligh government is committed to achieving the best skilling outcomes for Queenslanders and the outcome of the job—

Mr MALONE: I guess—

Mr HINCHLIFFE: Can you let me finish, Mr Malone? Since Queensland commissioned that work, the national skills agenda has been released, providing a new context. We need to make sure that that work that was undertaken by Allen Consulting informs and plays a role in how we consider VET reform going forward. That is why we will consider the wide range of sources that will inform that, including Skills Australia's Skills for Prosperity, the Australian government's *Apprenticeships for the 21st Century*, the National VET Equity Advisory Council's equity blueprint 2011 to 2016 creating—

Mr MALONE: This is all I am asking: is that QPET report redundant now? Yes or no is fine.

Mr HINCHLIFFE: It will form part of the material that will form advice, provide inputs into what the government will consider—

Mr MALONE: Thank you, Minister.

Mr HINCHLIFFE:—in considering VET reform. It will play a useful role in informing that.

Mr MALONE: I refer to the Skills Commission on 3-65. Skills Queensland has now been in operation for more than six months and recently announced a Strategic Investment Fund of \$50 million with \$35 million to be bid for by 30 June. The guidelines indicate that medium to large enterprises may apply directly to the fund or cluster together with other enterprises. Can the minister explain why small business cannot apply directly to receive some of this funding? Can the minister indicate what the total number of bids received by 30 June was and why is it that small business cannot access the fund? The idea that small business must cluster together to access the fund seems to me to be almost mercenary.

Mr HINCHLIFFE: I thank Mr Malone for the question and his recognition of the really important role that the Strategic Investment Fund can provide to industry in responding to these things. At the time of having this material put together we had the first round closing on 30 June. At the time of having this prepared there were some 219 expressions of interest received from across key industries. This first round seems on track to receive proposals totalling around \$170 million.

The reality behind making sure an investment fund like this works effectively and efficiently does require it to have some level of scale. Small businesses have great opportunities to work together, cluster together and use the avenues of a range of industry bodies and industry skills bodies that we have in place that work very closely with Skills Queensland to meet those ends.

I do not see this as a restriction or restraint. As I mentioned in our earlier session, I certainly recognise the valuable role that small business plays in our economy. As a former small business owner myself, I recognise and understand that. Equally, I recognise the reality that, in order to have an effective Strategic Investment Fund set of outcomes, you need to have a certain level of scale and scalability to get those strategic outcomes available. I might ask Rod Camm, the CEO of Skills Queensland, to make any further comments on the operation of the fund and those issues.

CHAIR: You have a minute and half.

Mr Camm: Yes, Mr Malone, when the board considered what the guidelines should be for the Strategic Investment Fund it certainly was not meant to exclude small business. It was about focusing on the key priorities happening out there in the economy around skills. The obvious focus on the resources sector and its supply chains was deliberate because the view was that if we do not get the skills agenda right in that industry it will have even more of an impact on small business. Yes, as the minister described, we are very pleased with the expressions of interest we have received including from our Industry Skills Bodies and some other industry partners that will include proposals from small business but under the brokerage arrangements that they have.

The Strategic Investment Fund is an additional strategy. It is not meant to stand on its own. So small business is very effectively catered for through the government investment elsewhere in the VET sector, including through TAFE, User Choice apprenticeships and traineeships and the like. So it was very much about focusing on where the real pressure is starting to become evident.

Mr MALONE: Thank you.

CHAIR: That brings us to a conclusion. The time allocated for the consideration of estimates of the proposed expenditure for organisational units within the portfolio of the Minister for Employment, Skills and Mining in respect of employment and skills has expired. On behalf of the committee, Minister, I thank you and your departmental officers for your attendance. The transcript of the hearing thus far will be able on the Hansard page of the parliament's website at approximately 4.15 pm.

Mr HINCHLIFFE: Chair, I thank the committee for their courtesies. I thank Hansard and chamber staff for their support of these events today, and I reflect upon your thanks to the public servants and officers of the various agencies that have supported me in preparation for today. Thank you.

Proceedings suspended from 2.46 pm to 2.50 pm

**ESTIMATES—INDUSTRY, EDUCATION, TRAINING AND INDUSTRIAL
RELATIONS COMMITTEE—EDUCATION, INDUSTRIAL RELATIONS AND WORK
HEALTH AND SAFETY**

In Attendance

Hon. CR Dick, Minister for Education and Industrial Relations

Mr D Smith, Principal Adviser

Department of Education and Training

Ms J Grantham, Director-General

Queensland Studies Authority

Mr P Herschell, Director (Acting), Queensland Studies Authority

Department of Justice and the Attorney-General

Mr P Reed, Director-General

Mr B Leahy, Associate Director-General



CHAIR: The committee will now consider the appropriations for the organisational units within the portfolio of the Minister for Education and Industrial Relations. On behalf of the committee, I welcome the Minister for Education and Industrial Relations, departmental officers and members of the public to the hearing. I am Kerry Shine, the member for Toowoomba North and chair of the committee. Mr Jeff Seeney, the member for Callide, is the deputy chair. The other committee members are Mrs Desley Scott MP, the member for Woodridge; Dr Bruce Flegg MP, the member for Moggill; Mrs Jann Stuckey MP, the member for Currumbin; and Mr Steve Kilburn MP, the member for Chatsworth.

I remind all of those participating in the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard, I remind members of the public that under standing orders the public may be admitted to or excluded from the hearing at the discretion of the committee. I ask that mobile phones or pagers be either switched off or switched to silent mode.

I remind members that recent changes to standing orders now provide that directors-general and those chief executive officers set out in schedule 7 of standing orders may be questioned by the committee. For the benefit of Hansard, I ask departmental officers to identify themselves before answering a question. I now declare the proposed expenditure for the organisational units within the portfolio of the Minister for Education and Industrial Relations open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, do you wish to make an opening statement? Could I remind you that there is a time limit of three minutes for such a statement.

Mr DICK: Chair, thank you for the opportunity to provide the committee with an overview of the Education budget for 2011-12. The Bligh government, like all Labor governments, places an enormous priority on the value of education. We understand the opportunities that only education can offer to a society's citizens and how education allows students from all walks of life to reach their potential and be the best they can be.

Education not only offers opportunity but also optimism. Our great state is on the cusp of a new era of potential and prosperity, and the Bligh government is laying the foundations to allow Queenslanders to take full advantage of that future. There is no clearer example of this commitment than in education. The budget has delivered a record operational budget for schools and early childhood education of \$7.4 billion—a substantial 8.9 per cent increase. Part of this allocation will fund the first steps in the next major phase of our reform journey—the transition of year 7 to high school from 2015. But our reforms go beyond the year 7 initiative.

This morning I announced another plank in our ongoing campaign to keep students safe in our schools. Labor will introduce tough new laws so that teachers convicted of serious criminal offences will be banned for teaching for life—not five years and not 10 years but forever. Teachers who are convicted of serious criminal offences including crimes of violence, sex offences and offences involving drugs have no place in our schools and our laws must be strengthened to ensure this occurs.

The Bligh government is also embarking on other initiatives to protect Queensland students. Today I am announcing a two-pronged approach to improving safety in schools by commissioning two independent, nationally renowned experts to examine the key school safety issues of cyberbullying and weapons in schools. National antibullying expert Dr Michael Carr-Gregg will look at mobile phone use and cyberbullying, while Professor Paul Mazerolle of Griffith University will examine the use of weapons in schools. I have asked them to report back to the government about whether anything further needs to be done to address this serious issue of weapons in schools and cyberbullying. I want to leave no stone unturned to ensure we are doing everything we can to protect Queensland students in Queensland schools.

The decade-long journey of reform and improvement that Labor governments have travelled has helped create a better future for hundreds of thousands of Queensland students and their families. Our reform journey still has a long way to go, but we have laid out a substantial vision that will help us build a better Queensland.

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

Dr FLEGG: The first question is in relation to the maintenance budget. In answer to a question on notice on 5 April this year, the minister said that there was 'no backlog of urgent maintenance work'. I will table for the benefit of the minister and the committee a whole portfolio of dozens and dozens of photographs from the Chapel Hill State School showing innumerable tripping hazards; numerous sharp cutting hazards; a number of steep, unfenced embankments; and numerous heavy branches that have fallen from a canopy of gum trees into areas where children play. All of these photographs have been taken by parents and some of the photos show just poor, dilapidated maintenance. Minister, how is it that one of your schools could be in such a dangerous and dilapidated state? I might add that I walked around with a group of parents—very distressed parents—who showed me. There were so many safety hazards that I actually lost count of them.

Mr DICK: I am delighted to talk about maintenance in Queensland schools, because in 2011-12 the Queensland Bligh Labor government will spend the highest amount ever spent annually on maintaining Queensland schools.

Dr FLEGG: I would say that it is not enough if you have a look at the photos, Minister.

CHAIR: The honourable member will allow the minister to answer the question that he has been asked.

Mr DICK: We will spend \$134.8 million, an increase of \$50 million or 33 per cent—a very significant improvement. I indicate to the honourable member that no maintenance problem in a school that involves a safety risk is left unattended. P1 maintenance, which is the highest maintenance category, must be dealt with within 30 days. That is the standard. Schools will always have money to spend on high-priority maintenance, be it the school principal, who is principally responsible for dealing with emergent and immediate safety issues, the regional budget or the central budget.

In relation to Chapel Hill State School, we have spent a significant amount of money in the last two financial years and will in the forthcoming year. In 2010-11, \$46,963 was spent on maintenance at that school. In 2011-12, \$129,213 has been approved for surface drainage, \$3,500 has been approved in special maintenance to fix uneven pavers and \$28,000 has been allocated to the school's annual maintenance allocation—a total of \$167,713. It is regrettable that the member for Moggill visited the school two or three weeks ago but it has taken him until today to formally raise these issues through this committee with me.

Dr FLEGG: I note that the minister made some comments in the media, on Channel 10, that no child had been injured as a result of lack of maintenance in relation to the instances at Chapel Hill. I table—I have removed only the names of the children from these documents—complaints from two of the parents at Chapel Hill State School whose children were injured and a third account of a heavily pregnant mother who was injured. One of these injuries was a very serious injury. I have some photographs of the very seriously injured child which I will not table because they are identifying, but they will be available for the minister. How could the minister possibly keep a straight face saying that no child had been injured because of lack of maintenance when in fact just at one school we have two cases?

Mr DICK: I am not aware of those matters. As I said, this is the first occasion—

Dr FLEGG: One was pretty serious. I think you would be aware.

CHAIR: The minister is answering the question. That is the answer?

Mr DICK: I am happy to wait for the honourable member to complete and then I will answer.

CHAIR: Do you have a further question?

Dr FLEGG: Yes—

Mr DICK: I am happy to respond to that, I just wanted to wait until he had finished it.

CHAIR: Sorry, if you have completed your question, the minister can respond.

Mr DICK: This is the first time that the honourable member has raised these issues with me—today. I indicate that the director-general has been in touch with the principal, and the principal of the school has told her, I am advised, that there are no urgent maintenance issues that remain outstanding.

Can I also say in relation to vegetation at schools that that is not a maintenance issue; that is the proper maintenance of school grounds and that falls within the province of groundsmen and other maintenance officers within the school. If there is an issue with trees at Chapel Hill State School, if the school community requires those trees to be removed, we are happy to remove trees from the school although that probably would create a whole range of additional issues for the school community, I should think. I am confident that the \$50 million injection into school maintenance, which is a one-third increase over maintenance, will have a significant impact. Of course, that amount of money we are spending this year, \$134.8 million, is a 170 per cent increase on the maintenance budget that the Liberal and National parties spent on state schools in their last budget in 1997-98 of \$48 million.

Dr FLEGG: Minister, over the last summer, Queensland witnessed people who lost their lives in flash flooding on a number of occasions in a number of places. Can you explain to the committee why a well-documented creek, Cubberla Creek, flows unfenced through the middle of Chapel Hill State School? In particular, a culvert area, which is shown in the photographs, is adjacent to playground equipment and remains completely unfenced. I will produce for the minister's benefit a series of photographs of a flash flood in the grounds of Chapel Hill State School and through that unfenced culvert. They are quite frightening photographs and the parents in that school are quite alarmed. Perhaps the minister would like to explain how, with all that we know about flash flooding, he could allow something like this to exist in one of his schools without even an effort to fence off the worst part of it.

Mr DICK: As I understand it, Chapel Hill State School was opened in 1978. This is a school that is 33 years old. The position of the school has not changed in 33 years. Of course, that school was built under the previous National and Liberal Party government and presumably for the 12 years that they were in government following its construction—when I presume the seat was held by a Liberal and National Party member, probably for the entire 33 years—

Dr FLEGG: Minister, blame shifting on a matter of child safety is pretty low.

CHAIR: Order! The minister is entitled to answer the question as he sees fit without interruption.

Dr FLEGG: That is a dreadful approach to take.

CHAIR: Without interruption.

Dr FLEGG: To blame someone else.

CHAIR: Member, please.

Dr FLEGG: This is a pretty serious issue, Mr Chair. You are from Toowoomba and you know what happens in flash floods.

CHAIR: These are serious proceedings and we conduct them according to standing orders. If you have asked your question, the minister is entitled to answer that question uninterrupted.

Mr DICK: If there is any disgraceful comment to be made, it is comparing a school that is 33 years old and that has been at that site for 33 years with the events that occurred in Toowoomba through a flash flood earlier this year. That is the only disgraceful comment that has been made today.

This has been an issue at the school that the school has managed for 33 years. Of course, for all of the issues that have been raised today, I will ensure the department pursues these matters, which they have already started to do. I understand that prior to today a hydraulic engineer was already engaged to inspect and reconfirm the safety of the school.

Many older schools, much older than 33 years, have issues about where they were constructed. Some schools historically were not built for best educational outcomes; they were built for political purposes because a local member of parliament demanded that construction. We need to look at the history of that school, why it was built where it was, why it was built over a creek, if it is in fact a creek. It seems an illogical thing to have happened all those years ago. Of course when we develop and construct schools now, we look at all of those hydraulic issues, including can I say flash flooding and flooding lines, to ensure that those schools are safe. Maybe history teaches us that that is what should have been done in the past, but we are now doing it.

I am happy to look at those issues. We will continue to work with the school community, as we have done in the past, to allocate appropriate resources and to address issues in those schools.

Dr FLEGG: This question is to the director-general. The Building Bright Schools submission for the Queensland Association of State School Principals said—

... Department of Education and Training currently pays large sums of undisclosed money to claimants who are injured or made ill by Department schools.

Is the director-general able to tell the committee how much of the department's budget needs to be spent on payouts, legal advice and/or legal defence in relation to injuries or other illnesses as a result of asbestos, trip hazards, sharp objects or other health or safety issues?

Ms Grantham: Wherever children congregate—and we have over 450,000 children enrolled in state schools in Queensland—there is always a potential for an accident. As a school principal, many times we saw children involved, through just simple play, in an accident that could occur in a playground. That can happen on a daily basis. No matter what safety procedures a school principal will put in place and how they work with their community, that will happen.

Yes, there are payouts that occur through the department to claimants. Some of these are accidents that are unavoidable, some of them are accidents where a safety procedure has not been followed et cetera. In cases like this, the student's livelihood can be affected—for example, a severing of a finger through a workshop accident. In those cases, we do have guidelines for parents to make sure that the particular details—the medical details, the personal details—are all recorded by the department so that a claim can be made should there be an impact in the future on the livelihood of that child as they transfer from adolescence into adulthood. We certainly would not like to see any child prohibited from engaging in the workforce because of an accident that has happened at school.

There are currently 160 claims being managed that involve students. The first \$10,000 of each claim is borne by the department, the rest of course is through the Queensland Government Insurance Fund. There will be legal costs that are associated with that. Each claim is managed, and through crown law reasonable legal costs can also be incurred by claimants and they are also paid. I have not got a figure on payouts but I will make sure that that comes to you. Those 160 claims obviously are over a long period of time and of course across a large number of students.

Dr FLEGG: And you will get back to me with that figure?

Ms Grantham: I will get back to you before the end of this session.

Dr FLEGG: I appreciate it. Minister, with reference to the seven schools that have been built as PPP projects under the supported debt model, it has been estimated that the total cost of construction plus the 35-year maintenance contract is in the order of a billion dollars—you might be able to confirm that figure for us. Minister, can you clarify for the committee what component of the cost of these projects relates to the actual construction of these schools? In other words, what was the cost to construct the schools that will ultimately lie with the taxpayer, excluding the value of the maintenance contract?

Mr DICK: The PPP program has been a very significant one in accelerating the delivery of schools in Queensland. Those schools, can I say, are being built to a higher standard than ever before. We now build to an 80-year standard in Queensland schools. That was not the case before and that is why we have such serious and significant maintenance problems in Queensland schools that often pop up and which we address immediately. Some of the more serious ones are the P1 maintenance jobs that we complete within 30 days, and that goes back to the historically shoddy build in some Queensland schools that we are dealing with. This is a legacy issue, just as we are dealing with legacy issues in asbestos and a whole range of areas, particularly when people and ministers of the day knew that asbestos was dangerous but did not do anything about it.

Just to clarify, there are seven new schools: Peregian Springs, which has been completed; Bay View, which is under construction and scheduled for delivery in stage 2 in 2012; Augusta State School, with stage 1 completed; WoodLinks and Coomera River, stage 1 completed; and Bundilla and Murrumba Downs, with stage 1 under construction. They have all been opened on a timetable from 2010 all the way through to Murrumba Downs which will be open in 2012. We have allocated that money through the PPP and, as the honourable member said, through the supported debt model. Those are being built, I am advised, on time and within budget.

Dr FLEGG: The question, with respect, was this: what is the capital cost of building them less the maintenance contract to the taxpayer? You are not able to answer that, I take it, Minister?

Mr DICK: I will get some advice on that and I will get back to the committee before we conclude today.

Dr FLEGG: To the director-general, at this stage we have just begun a new financial year. Is there any indication whether any BER funds will be left over? I have heard some suggestions that there may be a bit left over. At this stage, is there any indication of how much BER money may be left over and what will be the intended use of that money?

Ms Grantham: With the BER, every school is allocated their particular amount. If there are funds unspent at a particular school, then that school gets that additional funding to spend in a way they would like to further enhance their project. So there is no money retained, for example, and unspent on any of the particular projects. If that is the question, any funding that remains will be going to the school.

If the question relates to what was unspent for this financial year, what are the outstanding jobs from the BER, we were as you know scheduled to complete as many projects as possible by 30 June. It is my understanding we carried forward about \$14 million for projects that were incomplete. I will clarify that figure if that is incorrect. That was in projects to go into this financial year, but they will all be completed in the very short term.

Dr FLEGG: So there is no money left over from places like Richlands being closed or anything like that?

Ms Grantham: No. Every school gets every cent of their project that they are entitled to.

Dr FLEGG: The minister will be aware of the issue of Mount Crosby State School that I have raised on many occasions, where \$3 million of BER money was not enough to complete a school hall. In relation to the school halls and the BER, I want to ask about another anomaly in the handling of BER funding and the state government's response to that. In relation to the seven PPP schools and with particular reference to Bay View State School at Thornlands, under the PPP you were building this large state school which was expected to accommodate about 800 students. The original plan for that included a school hall.

The administrative arrangements for BER were such that, as it was under construction and did not have enrolment, it was not eligible. Now that the school is under construction, I am informed by parents at that school that the hall that was on the original plan is not part of the current works being conducted there. Minister, I know that you had to work with a federal bureaucracy that was unable to see that a big school of 800 students under construction would still need a hall, but given the enormous amount of taxpayer money being injected into this PPP arrangement, can you explain why the school hall that was originally on the master plan has not been included? I understand that this may be the case at some of the other PPP schools as well.

Mr DICK: The question really is in two parts, and I want to address what the honourable member said about Mount Crosby State School. With regard to the concept design for what was a very large two-storey hall and resource centre that the school had originally put forward, the quantity surveyor employed by Baulderstone's estimated the total cost of that facility at \$6.9 million. That was never going to fit within the generally accepted funding envelope of approximately \$3 million for the facility at Mount Crosby.

Dr FLEGG: We cannot build a hall for \$3 million?

CHAIR: The minister is entitled to answer the question without interruption.

Mr DICK: With all of those projects we consulted closely with the school and no Building the Education Revolution project proceeded without the consent and approval of the school, including the approval of a representative of the parents and citizens association. So that does not mean that there are not issues along the way in relation to construction, but the project that is agreed upon is agreed upon with the school. Today I was very delighted that I could go to Our Lady of Mount Carmel Catholic primary school—started by the Carmelite nuns 70 years ago this year, handed over to the Loreto nuns in the seventies and then to the laity—at the opening of their BER multifunction facility, and a brilliant facility it is. The school by acclamation accepts it as one of the best things that has happened to that school. A lot of members of course in this place are critical of the BER project when they are in the House but of course go to the school openings, particularly members of the Liberal National Party, praise the construction, praise how great it is for the school community but do not have the courage of their convictions to tell the school community they do not support the BER program.

In relation to the Bay View State School being built at Thornlands, we will build a hall there, as we do with many schools, in future stages. So we need to see how the school develops, how the school grows. When we build schools we do not automatically build a hall, but we will factor that in as the school grows and we will consider that. We are not going to say, 'No, we're not going to build a hall,' but as we consider the needs of the community, the needs of that particular school community and the other facilities in the local area, we will consider the construction of a hall at a later stage in the development of that school.

CHAIR: Thank you. It is time for government questions. I call the member for Woodridge.

Mrs SCOTT: Minister, safety in schools is a very important issue for parents, as it is for all of us. With reference to bullying in schools, can you advise how the government is planning to help make schools a safer place?

Mr DICK: I thank the member for Woodridge for her question. The member is quite correct; student safety and protection is a top priority of the Queensland government. Fortunately, it is good to know that the number of serious incidents and safety issues which occur in schools is very low, but that is no reason to be complacent. As the Minister for Education and as a parent of school-aged boys, I want to make sure we do everything we can to keep those figures low and get them even lower if we can. As I mentioned in my opening statement, I have initiated a two-pronged approach to further protect students in Queensland schools. The state government has engaged two independent experts in

Dr Michael Carr-Gregg, as I have said, and Professor Paul Mazerolle to examine two key safety issues: one is the use of weapons in schools and the other is the use of mobile phones—Dr Michael Carr-Gregg will lead that research—in particular in the context of how they can be used to bully or otherwise upset other children.

There of course is a broader issue about the use of mobile phones in the school environment—that is, whether they present a distraction to good teaching and whether they interfere with the learning of other students. That is a very topical issue. I know the issue has been raised on occasions—probably on a number of occasions—with the member for Woodridge by parents in her electorate, as it has in my mine and, I dare say, as it has with all members in this place. So I think we need to have a good look at that, particularly what we are doing in the state school system, and continue to monitor and lift the bar as we can on those two significant issues—weapons in schools and also cyberbullying. We do not want mobile phones to be misused. Some parents very strongly feel that their children should have a mobile phone with them. We need to respect that, but we will ask Michael Carr-Gregg to look at that because he has been leading that debate in the community. I think it was just this week—certainly I read a press report of it—that 650 people in the Bundaberg region went to one of the forums that he held. This is clearly an issue for parents: how we make the cyberworld safe or, failing that—if we cannot make the cyberworld safe—how we can give our children the best skills and the best way to make the right choices about engaging with the internet, with social media and so on, and mobile phones fit in that space.

I want to capture what he has been doing. He has been our adviser on cyberbullying and cybersafety. I want to capture what he has been doing in those forums around Queensland and ask him to look at what else is happening and what is best practice—as Professor Mazerolle will be doing in dealing with weapons—nationally and, if we can, internationally and implement that in Queensland. Both of them are well regarded as national leaders in their field and I am very pleased to have them on board. At the end of the day I will be reconvening the Queensland Schools Alliance Against Violence, a nation-leading project that brought in all of the school sectors—state sector, Catholic sector and independent sector—to review their report after 12 months. They provided a report in October last year, so we will ask them to review their report but then we will plug in this research as well. If we can come up with some agreements on where we go, I think that is in the best interests not just of students in state schools but in any school in Queensland. I really value that partnership we have with the non-state sector as the Minister for Education, thank them for their contribution and their commitment to school safety and look forward to working together with them to make schools even safer in the future.

CHAIR: Minister, could I say as an old boy, I welcome the news that you had in relation to Our Lady of Mount Carmel earlier today. Minister, I know student safety and student protection is a top priority for the government and for schools. What is being done with regard to the teacher registration process to ensure that we have suitable teachers in our classrooms so that we have the best possible teachers and that students are protected?

Mr DICK: Thank you, Mr Chairman, and you are a living, breathing example of the great education that occurs at Our Lady of Mount Carmel each and every day and for many years. I thank you for your question on such a serious topic though. Again, this is in the safety space in Queensland schools—safety and wellbeing being central to what we need to do in all Queensland schools. That is why we will be introducing new laws later this year which will raise the bar on teacher standards in Queensland. Under the Education and Training Legislation Amendment Bill, teachers convicted of serious offences will be automatically deregistered and banned from reapplying for teaching for life. This will strengthen the current laws that we have in Queensland and provide further safeguards for children. Currently, teachers are only automatically deregistered if they are convicted of certain sexual offences and if they are sentenced to imprisonment. But under the new laws, teachers will face lifetime bans if they are convicted of serious offences as defined under the relevant legislation that deals with blue cards and yellow cards, which is the Commission for Children and Young People and Child Guardian Act. So the serious offences as defined in that legislation will be incorporated and imported into the relevant Queensland College of Teachers legislation to ensure that anyone convicted of those offences, regardless of whether they are sentenced to imprisonment, including serious drug offences, serious offences of violence and also sexual offences, is prohibited from teaching in schools. I think that reflects community values and what the community expects of a safe environment for schools.

We will also amend the relevant legislation concerning the disciplinary powers of the Queensland Civil and Administrative Tribunal. That will allow QCAT to ban a person from applying for registration for a stated period right up to and including life. There are other criminal offences which a teacher might be convicted of which will not fall in the category of serious offences. There was a recent case dealt with by QCAT where they asked for enhanced powers because they were limited in only banning that teacher for reapplying for five years. Some teachers through that process may not be banned at all; there might be some other sanction that is imposed. But we think having an artificial cap of five years needs to be removed, and in cases of serious criminal misconduct that may not fall within the category of serious offences as defined under the act that I have mentioned that QCAT should have the power—which they have asked for—to be able to ban for that period.

We are also going to introduce new laws to ensure that school staff remain vigilant about protecting children. All school staff in state schools and in any school will be required to report concerns that a student has been sexually abused by any person. The current law provides for school staff to report only suspected sexual abuse by a member of school staff. That does not make any sense given the safe environment that children need to be in in schools, but abuse might occur in another environment that might come to the attention of teachers. In the state system teachers already have that obligation to report, but what we will be doing is enshrining that in law following a report that was prepared by the law faculty of the Queensland University of Technology. In addition, teachers will be required to report on the future risk of sexual harm as recommended by the Queensland University of Technology. So this is a very significant suite of reform to ensure schools remain safe places for children.

CHAIR: Thank you. I call the member for Chatsworth.

Mr KILBURN: Minister, I refer to the SDS at page 3-63 and in particular the implementation of the Masters review. One of the key recommendations of that review was the introduction of a test for aspiring primary school teachers before they can be registered in Queensland. How is the government progressing with the development and administration of the pre-registration test?

Mr DICK: Again, I thank the member for Chatsworth for his question. This is a very important matter that he has raised about continuing to improve the standard of teacher training in Queensland, and I am pleased to be able to provide an update to the committee on where we are in implementing a pre-registration test in literacy, numeracy and science for aspiring primary teachers in response to the recommendations that Geoff Masters made to the government. We are moving forward now to deliver that initiative and to deliver on that commitment. A test has been developed by the Queensland College of Teachers and we have been looking at how that might be implemented. This is a very important test for students that they will have to take. But the balance the government wanted to find was not only implementing the test as an important measure but also ensuring that it was affordable for young teachers who have been at university who are now coming out and going into teaching. There are a number of registration payments that they need to make before they can be registered as teachers. We wanted to make sure the cost was kept down for Queensland students without jeopardising the validity of the test. So we have supported the Queensland College of Teachers to find the best way to administer the test without compromising its rigour.

I am pleased to say also an important part of this is the role that universities play. We do not train teachers in Queensland. The education department does not train teachers, but we are the biggest employer of teachers in Queensland. So we have a big interest in how teachers are trained and how they are prepared for the classroom, and we have done a number of other things in that space including announcing centres of excellence and so on. So I am very pleased that universities and centres of higher education have agreed to administer the test through the initial teacher training process. So the test will be administered by universities as part of teacher training. We see that that will have a positive outcome because it will allow aspiring primary school teachers to successfully complete the test, or if they do not to be supported through their education program to ensure they can comply with that rigorous testing regime. So it is a partnership with universities to deliver, and that will of course keep the cost of the test down for students if it is embedded as part of the education process.

So that is the balance we wanted to strike. The integrity and the independence of the test will remain. The Queensland College of Teachers will remain responsible for the test content and access to the test will be assured for persons applying for teacher registration who are not Queensland higher education students.

To allow those necessary arrangements to be put into place, the testing plan for late this year will now be implemented in the middle of next year. There will be a slight six-month delay in the implementation of that. That short deferral will mean that stakeholders and everyone who has an interest in teacher training can be assured that the model of administering the test is both rigorous and sustainable but also affordable. We wanted to ensure, certainly from my perspective, that the test was an affordable for students and embedding it within the university teaching program when it is administered is an appropriate thing to do. So we will continue to work with the College of Teachers and the higher education sector to deliver this initiative at the lowest possible cost for students and for the benefit of future teachers and to support the improved performance of Queensland primary school students.

Mrs SCOTT: At page 3-65 of the SDS there is a reference to the Australian government's Building the Education Revolution program of investment in Queensland. Can you advise the committee whether Queensland schools received value for money from this investment?

Mr DICK: Can I say that all over Queensland students, teachers and school communities are enjoying the new facilities delivered through the federal government's Building the Education Revolution. A record \$2.1 billion has been invested in Queensland in new halls, libraries and a range of other building projects. The number of projects delivered through that program in Queensland numbers about 4½ thousand and I am pleased to advise the committee that Queensland state schools have received value for money from the initiative.

Seven independent reports—-independent of government—have now confirmed this. Seven reports have now confirmed that Queensland state schools got bang for their buck. The Building the Education Revolution Implementation Taskforce final report released last week was the latest to give the endorsement to Queensland's approach. The Queensland Auditor-General's report, reports by PricewaterhouseCoopers and two earlier reports from the task force—that is the implementation task force—gave Queensland the tick of approval.

The Bligh government has always taken a careful, responsible and appropriate approach to the BER and its implementation in Queensland and that was verified last week by the report which stated that the Queensland government is the only government to have all the attributes of an informed buyer and a full range of public works expertise. It found that the cost of projects carried out at New South Wales government schools was 31 per cent higher than the average cost to Queensland state schools. The average cost to Queensland government schools, I am informed, was \$2,637 per square metre. That is lower than the \$3,448 per square metre average in New South Wales government schools and lower than the \$3,075 per square metre average in Victorian government schools. So in the big three states, the big three education states—Victoria, New South Wales and Queensland—we are absolutely leading and have led through the implementation of this. Can I also say that our square metre cost was lower than the South Australian government system and Catholic system and the Western Australian Catholic system. So despite having the second highest number of projects of all states and territories, Queensland has had one of the lowest rates of complaints. As I said, of the 4,500 BER projects in Queensland, the federal task force received 27 complaints. That is 0.7 per cent, significantly lower than the seven per cent complaint rate for the general residential building industry. So you cannot argue with seven reports.

Can I also at this time complement the officers of the Department of Education and Training who have worked assiduously in delivering these projects, partnering with school communities, partnering with principals, partnering with P&Cs and partnering with principal constructors to deliver this project. They have done a significant and mighty job. It is very easy to knock public servants. I will never do that in this agency. They do great work each and every day in Queensland schools and I particularly want to thank those staff working in capital and asset maintenance and construction in the department.

CHAIR: Thank you. Minister, why is it important for Queensland children to move year 7 to high school?

Mr DICK: Again, this is a very significant initiative of the government and part of the continuum of reform and improvement in Queensland schools that has been central to the mission of the Labor government since our election in 1998. The joining of year 7 into high school from 2015 is that other essential building block that we will now build into the education system in Queensland and is part of that 10-year legacy of reform, that 10-year commitment to reform, that 10-year commitment to modernising Queensland schools.

Introducing a prep year in 2007 was a very significant reform by the Labor government. The full year of prep was introduced in 2008. That had a flow-on effect. As those students come through schools in Queensland, year 7 students will, of course, be in their eighth year of schooling. That is historically the year that all of us started high school in Queensland—the eighth year of formal education—and that is what year 7 will become. Can I say that with a boy in that year group—the year 3 group now—I have paid very close personal attention to this policy initiative from my perspective as a dad but also as the Minister for Education. It is a very important change.

As I said, we increased the entry age. We increased that by six months at the time we introduced the full year of prep in 2008. So children are now older. They will be six months older. More than half of that year group will turn 13 in year 7. They will start year 7, as I have said publicly, aged between 11½ and 12½ and finish year 7 between 12½ and 13½ years of age in 2015 onwards. A bit over 50 per cent—52 per cent—of those students in 2015 alone will turn 13 in that year. That is the school year that, can I suggest, almost all of us in this room turned 13. We turned 13 in year 8, which was our first year of high school.

Of course, the Australian curriculum, which will be rolled out in Queensland schools progressively from 2012, requires science to be taught by specialised teachers in a specialised teaching environment, particularly science laboratories, in year 7. So when you add together the emotional and social and adolescent needs of children when they are going from that stage of dependence to independence as they start their own independent journey in life when they are looking—particularly young men and young boys—for the challenge of specific curriculum being delivered in a specific educational environment, that is a very important thing. That will be supported by a very significant financial investment by the Queensland government: \$328.2 million over four years for state schools to prepare facilities, to build the facilities and refurbish facilities, an extra \$293.8 million in recurrent funding for all of those other things that need to be delivered, including HR support and professional development and, within that \$293.8 million, \$81.3 million for capital assistance so that non-state schools have the facilities in place as well. This is a very significant reform initiative and one that I am proud to be a part of as the Minister for Education.

Mr KILBURN: Minister, I refer you to page 3-60 of the SDS again and the Flying Start initiative. Could you tell the committee how Queensland teachers are being supported during that move that you have just spoken about—year 7 to high school?

Mr DICK: I thank the member for Chatsworth for his question. In particular for state schools in Queensland, it will be a challenge—an important one to support Queensland teachers through—but we have thought very long and hard about that process. This has been a policy initiative that has not been rushed. We had 93 forums throughout Queensland. I think we had about 50,000 hits on our website. Thousands of copies of our discussion paper—our Flying Start discussion paper—were circulated throughout Queensland and there was a feedback mechanism. I know the member for Chatsworth engaged with his own community seeking their own views as I know other government members did—both you Mr Chair and the member for Woodridge—to listen to communities directly. We took all of that into account. One of the things that was raised was how are we going to support teachers through this. There are a number of things that we will be doing, including a specific transition program for HR issues for state schools.

We will develop a workforce plan specifically designed to support teachers and other staff—not just teachers, I can assure you; other staff employed in the state school system. Individual workforce plans will be developed for existing primary schools. We are going to offer up to 500 professional development scholarships that will be targeted at state school primary teachers who are looking for the challenge to teach in a secondary school environment. We have already had some response on that.

We will, of course, provide comprehensive professional development to ensure teachers and school leaders have the necessary skills and experience to work with young adolescents in the new secondary environment, including within the junior secondary environment that we are going to be creating in state high schools. I think it is an exciting thing for us to look at how we deliver secondary education in Queensland. It creates really significant opportunities as well as looking at what we are going to do in primary school as children go on their pathway.

We think we will need between 1,200 and 1,300 new teachers in high schools. So we will be working with universities on the appropriate training of those teachers and how they will be delivering the education of those teachers in that environment and working closely with, of course, all stakeholders, including the Queensland Teachers Union, in particular in relation to workforce issues as well as the Secondary Principals Association and the primary school principals association to make sure we get it right.

Dr FLEGG: Thank you, Mr Chairman. Minister, I understand that the program of career change for—shall we call them burnt-out old teachers, I think they were referred to—is being offered again with payments of around \$50,000 per teacher to leave the state education system and never come back. The indications in the media are that 500 positions are available, with an expected uptake of 200. I note that in the previous versions of this many of the teachers took the money and went into the private sector. Can the minister explain to this committee why he would be creating, in effect, redundancies and paying teachers to leave the service prior to 2013 when you intend to close year 7 in primary schools at the end of 2014 and will have to deal at that time with a large number, perhaps up to 1,800, of year 7 teachers who will no longer be needed in state schools? In other words, why are you creating redundancies now simply to recreate the positions permanently at the end of the 2014 school year?

Mr DICK: Thanks, Mr Chairman. Can I say that this is a program that has been offered in the department for a number of years—in fact, many years. That information has been out in the public space for many years now. It is important to have a career change program in the school system. It is important to provide state school teachers who no longer feel that they have, I suppose, the ability to contribute to the maximum possible level to support them in a change in their career. If they are employed by the non-state sector, I do not regulate employment in the non-state sector. We have a regulatory function for accreditation of non-state schools, but who they employ is a matter for the non-state sector. That is not a matter for me. But I think it is important to have that. That provides a career path for that teacher who no longer wants to teach in the state school system. They can then take another career change altogether. It provides a pathway for young teachers wanting to come into schools. Just as with any voluntary redundancy program, it is completely voluntary. So teachers are entitled to take that up if they wish or not.

I think it is appropriate that that continues regardless of the other initiatives that are continuing in the state education system. So if teachers are lacking the motivation and they want a career change then it is appropriate that they be supported because they may have provided many years of valuable service to the state education system. But there are a number of criteria that they must satisfy before they will be eligible. That is an important thing.

That sort of process, of course, is supported by external stakeholders, including the Queensland Teachers Union. They support that sort of process being implemented. I think it is important that we listen to those representative bodies of teachers as well who know what is happening at the coalface on a daily basis to ensure that we can support those teachers and deliver the best possible educational and teaching environment in Queensland schools.

Can I also say that we are more than confident that we have the right number of teachers for our transition to year 7, including those teachers who are now coming through universities. We are confident that we will not be left short with appropriately qualified and trained teachers to deliver an important new program in Queensland schools.

Dr FLEGG: To the Director-General: Director-General, I understand that Education Queensland is currently conducting an audit of year 7. Perhaps you could confirm that for me and, if so, when is the audit of year 7 expected to be completed?

Ms Grantham: I assume you are referring to the facilities?

Dr FLEGG: Yes.

Ms Grantham: When we were putting together the strategy for government to consider we were, of course, aware of a number of sites right across Queensland where we immediately know we have got tight sites including Kenmore State High School, Palm Beach Currumbin State High School, Brisbane State High School, Kirwan State High School. So I know all the schools, particularly in the members' electorates. In doing that we knew that we had a capital build and we had to be clever on some sites about the solutions. In other areas we know on every school site how many school classrooms there are. For some of that it was a desktop audit in order to do the calculations to present to government to determine the cost of the new capital funding.

Now, however, we need to go and do more work. We need to sit down with school communities and work through on a site-by-site basis exactly what will be required. We know many schools have existing capacity. We know schools that are right on the edge. We monitor that data very carefully. The audit will move from a desktop into a more accurate and fulsome audit so that as we go forward we are well prepared and, of course, the additional funding that has been provided in this coming financial year is very much about the planning for any new and additional capital works.

Dr FLEGG: When would that audit be finished, do you think?

Ms Grantham: We have not set a final date. It is an ongoing piece of work at the moment and depends on what happens with local communities.

Dr FLEGG: To the minister, I refer to the 2011-12 State Budget Service Delivery Statement page 1-145 in relation to funding for the Flying Start and ask the minister to outline separately the capital funding that has been made available to each of the three sectors—that is, the Catholic sector, which had estimated its capital requirement to be about \$250 million; the independent sector, which had estimated its capital requirement at around \$100 million; and the state sector.

Mr DICK: Can I say that we have struck an agreement with the non-state sector about funding of year 7—not the back-of-the-beer-coaster calculations that the LNP likes to do, but one based on rigour and, of course, ongoing negotiations. There was very significant negotiation with the non-state sector that we worked on in a number of meetings with them at various levels in the department and also direct meetings that I had with them. I thank them for their full and frank engagement, but also the great integrity in which they engaged with this process.

As I said, we have provided a bit over \$81 million in grants for the non-state sector to assist them in capital works. We have also asked them to consider how their ongoing recurrent funding that they get from the state can be allocated towards year 7. It is, of course, something that I am very proud of that we have the highest support—

Dr FLEGG: Could you repeat the figure you said for me. I didn't hear it.

Mr DICK: I haven't finished my answer, Mr Chairman. Something that I am very proud of is the commitment that we have to the non-state sector. We have one of the highest capital grants program in Australia and the highest recurrent funding grants for students of any state. I certainly hope that the new Liberal National governments in Victoria and New South Wales follow the lead of the Queensland Labor government which has had that very strong funding support in Queensland for many years.

Can I talk about the funding. This is, of course, a curious question from the member for Moggill because I have said this in the House on a number of occasions, including in the morning when he has been in the House, and repeated it on a number of occasions. The capital funding, as I have said, is a bit over \$81 million—\$81.3 million. We will also be providing them \$293 million for non-capital investment. So that is the money that we are going to be putting into recurrent expenditure in the state system, including the grants that we will be providing to the non-state sector. So that is \$81.3 million for capital grants. We will also be providing additional funding to them out of the balance of that \$293 million, plus we will also be looking at funding boarding for the non-state sector as well.

At the first meeting of the task force that I have established we will work through some boarding issues. There are some really unique differences between boarding that is provided by the Catholic education system and the independent school system. We are working through funding issues for them as well. There will be at least \$110 million in new funding that will go to the non-state sector. So, \$81.3 million will be for capital grants and then another \$20 million or so for other IT support, HR support, all of those other things that need to be done by non-state schools. We have an agreement on that. I thank the non-state sector for their agreement.

The Director-General has indicated to me, and I thank her for reminding me, that we trust the non-state sector. We will not be directing or managing how they invest that. We have a very good and long relationship with the non-state sector and how they invest their money wisely. They have done that previously with the rollout of prep. They will be doing it with the rollout of kindergartens. We will be requiring the normal audit and accounting processes, but we will not be directing square metreage, number of rooms et cetera. We believe they have that very significant experience to be able to deliver that and we will give them flexibility, which is a key component of how we will give them that money.

Dr FLEGG: Perhaps to the Director-General, in relation to the capital funding for the move of year 7 within the state system, would you be able to give us some guidance, if not figures, for how much will go towards the construction of general classroom spaces and how much would be expected to go towards specialist facilities such as science labs, music rooms, art rooms, sport facilities, libraries, et cetera?

Ms Grantham: The final figure for that will be determined following the audits. Within that \$328.2 million there is provision for brand new classrooms but also for flexible learning areas. Schools already have science labs that will be available to year 7 in some schools. However, for other schools we will be providing additional flexible learning areas that include the opportunity to participate in science in those schools. In some cases there will be a need for toilets or there may be a need for additional staffrooms. All of that is wrapped up into that \$328 million. So until we do what is the occupancy of the existing school site, what is the trend in the number of year 8s that normally come to a school, for example—we actually have to do all that calculation—I can't give you a breakdown of general classrooms versus science until a point in time when that information is available to us.

Dr FLEGG: Back to the minister, you told us that in the non-government sector there would be \$81.3 million for capital works. This is an enormous shortfall from what those sectors estimated they would need. Interestingly, I think it is a bit less than they think they are going to get, as a matter of fact. It is being said, and the minister might confirm for us, that the Catholic and independent sectors have been informed that in relation to the shortfall between the \$81 million and the actual amount it will cost them for capital works that they should use Commonwealth Block Grant Authority funding for the next three years to make up that shortfall. What is the expected impact on schools of diverting that funding from its intended use for development of new Catholic and independent schools and for additional facilities for existing schools that are undergoing significant growth? I note that the Queensland Teachers' Union in its pre-budget submission called for a 'rigorous evaluation' of its resourcing requirements given that Education Queensland originally estimated capital requirements for the move of year 7 for all three sectors to be in the range of \$300 million to \$400 million. Can you confirm that the shortfall will be made up from future Commonwealth Block Grant Authority funding?

Mr DICK: Yes, I can confirm that it will not come from Commonwealth Block Grant Authority funding. We do not seek to direct or control Commonwealth money. It would be difficult for us to do it seeing it is not our money and we are not the government responsible for it. I think, with respect to the member for Moggill, he needs to move along a little bit. He, of course, made all of these extraordinary allegations about how much it would cost in, I think it was, a two-page press release that had no basis for those costings contained within it other than a bald assertion. The reality for the non-state sector is we have reached an agreement with them about how we are going to fund this so we will not be requiring, and we do not have any control over, Commonwealth block funding. There will not be any shortfall as far as we are concerned. In relation to independent schools in particular, the majority of independent schools are P to 12 or in the 5 to 12 space. So that is independent schools. Catholic schools are different, of course, because they have a much longer history of having independent secondary schools, historically 8 to 12 schools. So the challenge for the Catholic education system is much higher than for the independent system but we are supporting both of them. We have asked the independent and the Catholic sector to look at our future capital funding—this is separate from the new money we are putting in through the \$622 million injection over four years from the current budget and then future out years—we have asked them to look at the capital money that we will be providing them anyway. We always provide capital grants, the highest in the country from the state. We have asked them to have a look at how that can be allocated towards this project as well, because that is unallocated money. Fifty per cent of it is unallocated. There is discretion in that. We historically have never directed the non-state sector in how they spend it and we do not want to go down that path. We want to leave that flexibility. This is a big project. They need to invest it. They did it with prep. We had a great partnership with prep and they delivered that. We are confident. We give them flexibility. We ask them to consider how they invest their grant money. We are giving them new money. We are very confident we will be able to do this together. We are still working in that boarding space. This is part of the reform agenda for Labor, one that I am very proud of, one that has changed and will change Queensland forever. Prep, universal access to kindergarten, year 7, delivering on curriculum—these reforms have made a big change to Queensland and will continue to do so for decades to come.

Dr FLEGG: I table an information briefing note obtained under FOI that I am sure the minister is familiar with even though it is dated 27 January 2010, which would be in the time of his predecessor, and is around 18 months old. Interestingly, all the references in this are to a full cohort in 2015,

suggesting this was clearly the government's intention even 18 months ago. My question in relation to the briefing note is that it makes it quite clear that children in Queensland at the commencement of high school after the move of year 7 will be aged between 11 years and seven months and 12 years and six months. There is, in fact, a suggested answer to this question along those lines to the minister in the ministerial briefing note. The graphic on page 2 also clearly indicates Queensland high school students under the proposed change will be amongst the youngest in the country. How is it that all this information which has been known to the government for 18 months was translated into your glossy brochure to the public as simply saying most children will be turning 13?

Mr DICK: What a shock that the Department of Education put up options to a minister to consider! RTI can be used fairly or it can be abused. If we get to the stage where departments cannot provide advice and options to ministers because someone will come into a committee or will give it to the media and that that represents some sort of 'Gotcha!' because—

Dr FLEGG: I am only asking why did you not take the advice in the briefing note?

CHAIR: Member, the minister is entitled to answer the question.

Mr DICK: It is a bit hard for me to take advice from a briefing note dated 27 January 2010 when I did not become the minister until more than a year later. I might have some pull in the cabinet, but I do not have that much pull! It was an option that was put to government and whatever the briefing note says, it says. That is what government does and then you make a decision, generally at a cabinet level in consultation with government colleagues about where you should go in the future. For example, our Flying Start discussion paper was explicitly about starting year 7 in 2014. As part of consultation, we formed the view that particularly those parents whose children were younger and formed the first cohort of prep did not want to be the first year of year 7 going into secondary school. We looked at that. We have also done an enrolment analysis of those students. I have said publicly that children will start year 7 aged between 11½ and 12½ years of age, and they will finish aged between 12½ and 13½ years of age. The enrolment analysis tells us that about 52 per cent of them will turn 13 in 2015, and that figure rises in subsequent years. We used data produced by the Australian Bureau of Statistics to do that analysis.

I make this point to the committee about year 7: there are three places in Australia where year 7 is not in high school: South Australia, the West Australian government system and Queensland. The majority of states and territories have had year 7 in high school, some for many years. I think the transition effectively started in New South Wales about 50 years ago, with full integration in 1976. This is nothing new in a sense. It is new for Queensland and we need to get everything right, but it is not revolutionary in how we deliver education. I am very convinced it will deliver the best outcome for those students going forward.

We always look at options. We will always consider those things. My advice is—and I am trying to get some clarity on that—that these students will not be amongst the youngest in Australia in year 7. I have seen some advice on that previously and I will get that to the committee before we conclude today, if I can clarify it.

CHAIR: We will go back to government questions. Member for Woodridge.

Mrs SCOTT: Minister, at 3-62 of the Service Delivery Statement, I note an investment in the continued rollout of kindergarten services across the state. I must say, I have welcomed the announcements for my area. Can the minister explain how the government is delivering on its commitment to provide universal kindergarten access?

Mr DICK: I thank the member for Woodridge for her question. I know how passionate she is about the early years of education. It is something that she has talked to me about since I have become the Minister for Education and I know she has talked to previous ministers about that, because she knows how that can set children up for a pathway of very successful learning. I know she is a great champion of the universal access to kindergarten program. That program will be implemented and both the Australian government and the Queensland government will invest \$900 million to deliver universal access in Queensland, to ensure that by 2014 every kindergarten aged child can access a quality early education program in the year before they start prep.

Last week I was fortunate enough to attend the Ministerial Council for Education meeting of education ministers, where the national partnership program for the early years education was discussed. It is sobering to look at the numbers in the sense that two years ago in Queensland 29 per cent of kindy eligible children were attending a kindy program in Queensland. In every other state it is 80 per cent or more. In some states, 90 per cent of those eligible children attend a kindy. In two years, we have gone from 29 per cent attendance to 40 per cent on our pathway. We know that the sooner children can start on that pathway in those critical early years, starting with kindy and through prep and up to year 3, the more significant benefit to them and their families in terms of the children's educational outcomes.

We will be investing in building up to 240 extra kindergarten services across the state, which I know has benefited the electorates of yourself, Mr Chairman, the member for Woodridge and the member for Chatsworth. That will involve an investment by the Queensland government alone of

\$321 million, with \$75 million allocated to the construction of extra services on state school sites in 2011-12. We are looking at building a lot of these next to state schools, so there will be a single drop-off. Of course, we will start the pathway of learning for children in that school environment broadly.

We are making significant progress towards establishing these extra kindergarten services. There is no doubt that this is a big challenge to deliver in Queensland where, historically, we have not had the uptake of students going into kindergarten. That is a big challenge for us. It involves changing attitudes and cultural approaches to the importance of kindy. Many of us in this room accept it as a given, but for others and other communities it has not been a common thing. Really it is about demonstrating the value of that and we are doing that through an education program and through advertising, indicating that kindy counts for every child.

There were six new kindergarten services opened on state school sites in 2010, with another 17 opening in 2011. We brought forward the number of kindies to be opened and we are aiming to deliver 85 extra kindergarten services in 2012. That will mean 108 extra services providing up to 4,752 kindergarten places. That will be a big thing. As I said earlier, we have announced the location of 13 kindergartens in the non-state sector for 2013. We are working with the non-state sector in the delivery of kindy, particularly the Catholic Education Commission. We will be working with and delivering on the very strong partnership that we have with a number of governing bodies, including the Creche and Kindergarten Association of Queensland, which is a very significant partner of ours in delivering this program.

Mrs SCOTT: Minister, improving access by Aboriginal and Torres Strait Islander families to early childhood development services is referred to at SDS 3-62. Can you advise how this will benefit families?

Mr DICK: I thank the honourable member for the question. I know this is another important issue for the member. Children and family centres are another part of delivering opportunity for very young children. Children and family centres are a joint commitment of the Queensland and Australian governments to improving educational and health outcomes for Aboriginal and Torres Strait Islander children under the Closing the Gap agenda. It is a very significant thing that we are delivering in partnership with the Australian government.

Ten children and family centres will be established at Cairns, Doomadgee, Ipswich, Logan—which the member for Woodridge will be very interested in—Mackay, Mareeba, Mornington Island, Mount Isa, Palm Island and Rockhampton. Those children and family centres will provide access to integrated early childhood education and care, parenting and family support, and child and maternal health services. It will include a whole suite of services. Education and care will be provided through these children and family centres. I think they are going to be a fantastic thing for those communities. The advice of early childhood experts is that providing services at one location ensures families that need support can come to one place, they can start very early with maternal and childcare and then progressively move their way through care to early childhood education at the one centre. Hopefully, this is something that could be expanded more broadly at some stage in the future.

As I have said earlier to the committee, there is compelling evidence that investment in early childhood development improves life outcomes, not just educational outcomes, and also benefits everyone else in the broader community. Participation in early quality childhood education has been shown to drive improved literacy and numeracy, employment, lifelong earnings, and social functioning and engagement. These are important things. Regrettably, a number of Aboriginal and Torres Strait Islander families miss out on that opportunity. This will help give them that opportunity to get those better life outcomes. It is a very significant thing.

All of the centres that I mentioned today will run playgroups. The centres in Mornington Island, Mount Isa and Mackay will have a long day care centre facility with an embedded kindergarten program. Other centres will support families to access and participate in kindy programs and existing services in the community. Each centre will receive funding that they can use for a whole range of issues, including fee relief. Aboriginal and Torres Strait Islander families will benefit by having ready access to suitable and culturally inclusive early childhood and family support services. These will improve Aboriginal and Torres Strait Islander families' use of early childhood development services, which will help expand developmental and learning opportunities.

I am really proud of this sort of initiative. I think it is going to make a big difference in the lives of many people. I know the member for Woodridge feels the same way as all members on this committee will feel about providing the best opportunity for outcomes for Indigenous children in Queensland. I think this is a very significant thing. I look forward to those centres being delivered and opened in the not-too-distant future.

CHAIR: Minister, what can you say about the concerns of people living in Highfields in my electorate, in terms of their need for a state high school?

Mr DICK: At the outset, I acknowledge your strong advocacy for that community. I had the benefit of meeting representatives from the Highfields community, including one of the local councillors from the Toowoomba Regional Council, at the community cabinet that was held in Toowoomba a few months

ago. Following the announcement of the year 7 initiative, we are looking afresh at what might happen at Highfields. We have allocated land for that school. We do look very closely at demographic trends and also enrolment trends in local communities. Of course, as you well know, there is a very strong demand for non-state education in Toowoomba. However, we have some fantastic state schools in Toowoomba that are doing fantastic things.

Not for a moment do I dismiss those strongly held views and the concerns of the community in Highfields. Following further representations you have made to me from those concerned citizens following the community cabinet, I hope to travel up to Toowoomba in the not-too-distant future. I would like to get a feel for it myself, take the opportunity to visit the community and look at the site with you. We will meet with those representatives who, I must say, put a very strong and compelling case at the community cabinet. As minister, you have to balance the professional advice you are provided with from the department with the strong views on the ground from residents and citizens. I will be considering all of those things, particularly in the context of what will state education look like and what will education look like more broadly in Toowoomba and the Darling Downs as we approach 2015. I have asked the department to look at that and how that fits in with what we should be doing with secondary education in Toowoomba, including the Highfields state high school.

CHAIR: I formally invite you to come as soon as possible, to get a first-hand understanding of the needs of the Highfields community in that regard.

Mr DICK: You can take that offer as accepted. I will try to get up to Toowoomba sooner rather than later.

Dr FLEGG: Can I make the same offer for Chapel Hill?

CHAIR: You had your chance.

Dr FLEGG: I do not think I got the same acceptance.

CHAIR: Member for Chatsworth?

Mr KILBURN: Minister, I refer to SDS 3-60, particularly the \$134.8 million allocated to school maintenance in this year's budget, which will help make maintenance a priority in the Department of Education. How does this help with the education and training department's ever-expanding asset base?

Mr DICK: Thank you very much for the question. I advise the committee that we are embarking on a major maintenance blitz in Queensland schools as part of a record maintenance allocation in this year's budget. As the member for Chatsworth has indicated, we will be injecting \$134.8 million in maintenance in state schools. That is an additional \$50 million this financial year, which is an increase of 33 per cent. In anyone's language, that is a massive boost to maintenance.

This is the highest amount ever spent on maintenance in state schools in Queensland's history. It is a significant increase. That money will allow us to do more maintenance sooner. As I said earlier to the committee, the P1 projects are the high priority where there is a safety risk and they are done within 30 days. Other projects are done on a rolling basis and the responsibility for addressing those lays with the principals and regional directors.

I indicate that P2 maintenance includes things such as flaking paint or paint that may be coming off a railing, a cracked paver, a dripping tap—those sorts of jobs that need to be done in schools. We do a maintenance audit in schools. At Chapel Hill State School we conducted a maintenance audit in January 2009 and 56 P2 items had to be done by October 2010, down to 26. Of course, that is a rolling process. There are going to be more projects, but the net number of projects has decreased notwithstanding the fact that there is going to be a need for maintenance along the way. The 2010 assessment identified seven P1 items. They are the high priority risk items and they have all been completed. That is the advice that I have.

Foliage, of course, is different. That is not maintaining a building; that is maintaining grounds. We have engaged an arborist previously to visit Chapel Hill State School. I have asked the department to get an arborist to attend the school as well. We know that the western suburbs of Brisbane are well known for their trees. If those schools are green and leafy, I think that makes schools lovely learning environments, but where they pose a risk trees can be removed. Again, it is about finding that balance. We do not want to remove every tree from every school, but if that is what the school community wants, we would comply with that and find the money if need be. I hope we can find a balance. I am not saying that that is what the Chapel Hill State School community wants, but if trees have to go to address issues, we are happy to do that.

I have spoken to the director-general directly about the additional money and I want to start spending that money as soon as possible to get those jobs done. We have set up an interdepartmental steering committee, which will involve the Department of Public Works, which historically delivers the work—we are the funder; they deliver the work—to make sure that there is oversight on how we spend the additional money and that it is kept on track.

I affirm for the committee again that it is a very significant thing to maintain Queensland's schools. There are 29,000 buildings in the 1,237 state schools in Queensland. Those buildings are used by more than 500,000 people each and every day: students, teachers, principals, cleaners, admin staff and business service managers. The latest release of maintenance jobs has between one and two jobs for each building in the Queensland state school system. I can assure the committee that at my home there are more than two jobs that need to be done. If the committee needs to take evidence, they can take evidence from my wife, who will gladly give that evidence, I am sure, to get me to do something. I get distracted by other things including things that I have to chase down for the member for Moggill that are not necessarily true. It keeps me busy.

We will continue to look at all of those things. As I say, we put a priority on safety and we will continue to do that. We will continue that rolling program which will now be accelerated. Over the past five years we have spent \$570 million on maintaining Queensland's state schools. That is a significant investment and appropriate as well, and we will continue to allocate significant funds as they are required.

Mr KILBURN: Minister, I was very pleased to be able to represent you recently at the reopening of the Tingalpa State School after its upgrade through the State Schools of Tomorrow program, recognising that that is the biggest single investment ever made in Queensland schools. Can you outline how the State Schools of Tomorrow program has changed the face of Queensland schools?

Mr DICK: Schools like Tingalpa State School and many other schools in Queensland have benefited enormously from that very significant investment. The State Schools of Tomorrow initiative was a major component of the Queensland government's \$1 billion Tomorrow's Schools package, the largest one-off state investment in Queensland history.

State Schools of Tomorrow was delivered in two rounds. Round one targeted areas of greatest need of major renewal and whole school sites were modernised. Round 2, Classroom Renewal Program, focused on the refurbishment and renewal of more than 2,000 existing classrooms, libraries, computer rooms and science labs across 314 schools throughout Queensland. That is about a quarter of all state schools in Queensland that benefited from State Schools of Tomorrow. This was a vision of this government driven by the desire to have the best possible classrooms, general learning areas, science labs and teaching facilities for teachers and for students. It was flexible. We had flexibility in it for each unique need of each school, because those 1,237 schools run from the 120 single-teacher schools in regional and remote parts of the state all the way through to the large colleges such as Varsity College on the Gold Coast, which has 3,000 students. There is a very large number of schools with diverse needs. We put flexibility into the ones that we targeted with State Schools of Tomorrow.

One of the key features of State Schools of Tomorrow was its commitment to delivering the latest technology to teachers and students to improve classroom performance, general and specialised learning areas fitted with ICT infrastructure and resources designed to accommodate future upgrades and technological changes. That is precisely what is happening at my old primary school, Marshall Road State School, where I taught before I became the education minister. They are redoing the school block where I taught in grades 4, 5, and 6 to ensure that it is up to date including the ICT that is installed. I look forward to opening that facility now as the Minister for Education. It is funny where life takes you in the scheme of things.

We are looking at extending wireless technology throughout the schools as well. It has made a massive difference in a number of schools. I have been very pleased to open the new Bremer State High School at Ipswich, which is a magnificent school and is unlike any other school, state or non-state, that I have visited in Queensland. It is a world away from the old Bremer State High School and has transitioned to a brand-new state-of-the-art school. Similarly, I opened the extensions and refurbishment of Richlands East State School. The change to those schools has been enormous. The change to the student body has been enormous. The change to teachers and principals has been enormous. It is going to have a massive effect on those communities. It has been a great privilege to be able to go to those communities to see the difference that has been made and to know that that will continue for years to come.

Dr FLEGG: I have a question for the minister. As far as the budget goes it will come under the Queensland College of Teachers. In relation to the announcement that the minister made this morning that he intends to bring in new laws that will mean teachers face a life ban—and I am reading from your media release—if they are convicted of serious offences, which range from the possession of child pornography to burglary, supplying dangerous drugs and sexual assault, are there actual cases of teachers who are teaching having been convicted of the sorts of offences for which you want to impose a life ban?

Mr DICK: We have had a strict registration process in Queensland for many years. I am not aware of the exact numbers, but there are probably teachers who have been convicted of offences previously who have gone through the registration process. All teachers were reregistered on a single occasion some years ago. That was great work by the Queensland College of Teachers.

It is not possible to track down everybody in every school, but certainly we need to respond to what the Queensland Civil and Administrative Tribunal has told us—that they want enhanced powers—and to draw very clear lines around who can teach and who cannot. I could not say now how many, or if any, teachers who have been convicted of offences are teaching in schools. I am sure there are teachers convicted of a whole range of offences including—

Dr FLEGG: You would not ask that before you announced you were going to change the law?

Mr DICK: I do not have figures with me about how many there are. I am sure there is everything from drink-driving all the way through to serious charges.

Dr FLEGG: You can take it on notice if you like.

Mr DICK: I would say that it is a prospective process. There is a high bar that people have to reach. There is a presumption—and I thank the member for Moggill for reminding me. There is a high bar that people have to reach if they have been convicted previously of an offence including one for which they have to demonstrate that it is appropriate that they be readmitted or that their registration continue as a teacher. There is a presumption against registering certain individuals who have been convicted of offences previously. That is currently the law under the Queensland College of Teachers act. Far be it for me to suggest that the member for Moggill would start a scare campaign about anything. Of course he is not known for running scare campaigns—well not very much—on a whole range of issues that have not been soundly based that have created concern and alarm in the community! I certainly hope that the member for Moggill is not going to go down this path in relation to these changes. I hope that these reforms would be accepted without concern by this committee. I hope—and, of course, this committee has responsibility for this—that it would be able to consider this series of offences that are set out in the legislation and that the bill could be expeditiously passed by the parliament after appropriate examination by the committee.

Let me reinforce to honourable members the sorts of offences we are talking about. We are talking about all sorts of sexual offences and serious sexual offences such as the possession of child pornography, kidnapping, sexual assault, rape, attempts to commit rape, torture, trafficking dangerous drugs, supplying dangerous drugs—and that is not the basic supply, it is one of aggravated supply under the Drugs Misuse Act—producing dangerous drugs and a whole range of sexual offences involving children. I do not think anyone in the community thinks that those individuals should be able to teach in schools. We have had a rigorous process for assessing who comes into schools previously and we are now taking this to the next level.

Dr FLEGG: I have a question of the director-general. I will table for your benefit a couple of pages from the Public Works Service Delivery Statement referring to matters that impact on the education area. It is page 2-153. It says—

Planning for the transition of finance and payroll functions from the Department of Public Works to Queensland Health and the Department of Education and Training is currently under way.

I did ask a question in the House of the minister on 23 March 2011, the answer to which was just an attack on me. I ask the director-general: in relation to those functions that have come essentially from the Department of Public Works and the Shared Services Agency to the Department of Education and Training—I understand from the beginning of July from that statement—what sort of additional costs are going to be incurred by the department of education to take over and run these services such as payroll from the Department of Public Works?

Ms Grantham: In terms of the Shared Service Agency, I will just explain how the payroll system works. At the moment the department is its own shared service agency. We are one department and so the work occurs in Finance, in HR and in facilities on both sides. In the traditional sense, a shared service provider has a purchaser-provider relationship. In DET we have a department. For example, all payroll is determined, calculated and prepared by our payroll team. It is then sent to the Department of Public Works or CorpTech for a processing function. It is that component that will return to the department. They have never done our calculations or any of the work that calculates the fortnightly payroll.

You would understand about the Pricewaterhouse review. That had significant impacts, obviously, for many agencies but not as much for our department because many of those functions already occurred. So we have taken over the TSS component of the HR system from CorpTech, which is the processing system. I think TSS stands for The Solution Series. There are other parts of the department's payroll, for example Aurion, which manages all the leave and the payroll system for the training part of the department. That is also in a current arrangement with CorpTech.

We are working on our business case of what that means in order to take that over for the future management and support for our finance model. That is expected to be cost neutral once that transition occurs. I think it is estimated—and I will get this confirmed—that \$250,000 of funding will be required to transfer that system. Of course, some of the FTEs that are already with CorpTech will transition back to the department as well. I will confirm that if that is incorrect, but at this stage I am advised that it is \$250,000 but then it will be cost neutral as it subsumes itself into our normal processing systems.

Dr FLEGG: Thank you. That answer was more kind than the minister's original one.

Mr DICK: I thought my first answer was very direct and honest.

Dr FLEGG: I have a few questions here in relation to the Queensland Studies Authority. I will direct the first one to the minister, but then I might direct one or two questions to the head of that authority who is on our list. Minister, I note that the Queensland Studies Authority is currently funded to the tune of around \$45 million annually. Given that many of the curriculum roles will be taken over as part of the Australian Curriculum, what cuts to this budget are planned post the Australian Curriculum and what ongoing role do you see for the QSA?

Mr DICK: I think the reality is that the QSA will continue to have a vital role on how we deliver education in Queensland. For the benefit of the honourable member, the Australian Curriculum will be delivered over time. It will start with the delivery of the curriculum from P-10. That will occur initially from 2012, next year, in the areas of maths, science and English, and then in 2013 it will be the P-10 curriculum in history. So we are a long way off from the full suite of subjects having the national curriculum completed and tied down and delivered in Queensland schools. Sensibly, it needs to be a progressive process. The Australian Curriculum, Assessment and Reporting Authority, which is responsible for delivering the national curriculum, consults widely with the community as well as with experienced educators in determining the form and content of the curriculum. It is appropriate that it be delivered over time.

The QSA will continue to have a vital role in relation to curriculum assessment and delivery in Queensland and will continue to have that function for many years to come. As the national curriculum is delivered, though, we will look at the nature and extent of the QSA's functions and roles and what they will be, but it is too early at this stage to say anything about cuts or reducing staff. I hope that is not the proposal of the state opposition in relation to their education plans. It would be a very concerning thing for the staff of the Queensland Studies Authority to think that their jobs might be placed in jeopardy under a proposal from the Liberal National Party. I think they have done very good work.

It should not be forgotten that we have lifted the bar on consistent curriculum in Queensland going back to a number of ministers before me who started the process to have consistent curriculum so that parents knew what was being delivered in Queensland schools. This is going back to the time, if I am not mistaken, when the current Premier, Anna Bligh, was the education minister. That is something that we have led on in Queensland for many years. I am embracing the national curriculum because I think it will be a very positive thing. It will give consistency in schools throughout the nation. It will give consistency to teachers in what they are teaching, and parents will know what will be taught. So we are well away from winding back the QSA, if that happens at all.

Dr FLEGG: I have a question for the Acting Director of the QSA, Paul Herschell. Thanks for joining us, Paul. Can you give some guidance to the committee about what funds or resources the QSA has allocated and used to investigate the cause of the poor international performance of Queensland students, notably in maths? The TIMSS shows that for the year 9 level, for example, about 40 per cent of Korean or Taiwanese students are assessed as being advanced, whereas only three per cent of Queensland students achieved that result. We are very concerned about those international comparisons. I would like some guidance about what sort of resources and personnel you have put into assessing those results and how to improve them.

Mr Herschell: As part of the Masters review that was referred to earlier, the Queensland Studies Authority had a responsibility to look at the Queensland performance on international and national tests to identify areas within those tests where we might be able to recommend to the department that professional development could be targeted. We undertook about a year's work to go through all of the testing that the Queensland students have been involved in. As part of that Masters review, the Queensland Education Performance Review, we developed a report which is on the Queensland Studies Authority's website—and we delivered that to the department—identifying those areas of professional development. As part of that process, that informs how the Queensland Studies Authority works with ACARA. So we have identified those areas where we think we can do better and then we advocate as part of the process for the development of, in particular, the maths, science and English curriculum.

Dr FLEGG: Again to Mr Herschell, the LNP have supported the concept of the Australian Curriculum but, in common with a number of state governments and state oppositions, we are concerned to see that we end up with the best quality curriculum, a smooth introduction and effective world-class assessment. Mr Herschell, could you tell us how many effective full-time staff within QSA are engaged in some form of evaluation of the Australian Curriculum in the current four subjects—English, maths, science and history—to ensure they are ready and suitable for implementation in Queensland and it is the best possible curriculum?

Mr Herschell: At the Queensland Studies Authority we have established an Australian Curriculum Branch, whose responsibility is to work with ACARA in terms of monitoring, influencing and being part of a range of committees, advisory groups and writing panels. So that is part of the work of that branch. The other part of the work of that branch is to work with schools within the three education

sectors—the Catholic, independent and state school sectors—in order to be able to support schools implement the Australian Curriculum. We have an agreed four-point implementation plan across the sectors for the Queensland Studies Authority to provide advice and guidelines, professional development, resources for schools and some ICT infrastructure and communications for that. It is pretty hard to split those two functions, but we have approximately 12 staff working in that branch.

Dr FLEGG: Thank you. Again to Mr Herschell, I understand that a number of consultants have been employed to go around the state and teach experienced teachers the reading and implementation of the Australian Curriculum English component and possibly others. Can you tell us if this is the case? How many consultants are involved in doing this interpretive work for teachers and what would be the likely cost of this consultancy?

Mr Herschell: That is not through the Queensland Studies Authority.

Dr FLEGG: Director-General, is it through the department?

Ms Grantham: In terms of a consultant going around the state, there is one person. The ACARA board member representative for Queensland is Lesley Englert. She is a former school principal and the former assistant director-general for curriculum in the Department of Education and Training. You would understand that, as a board member, Lesley has significant insight into the formulation of the curriculum and the direction that the curriculum will take. She has been working diligently and has been to all schools on invitation. She is going to state schools, Catholic schools and independent schools talking about the Australian Curriculum and what schools need to do to prepare. She has been talking to parents. Many members have had Lesley in their electorates talking to community groups so that there is an awareness. She is not actually a consultant; she has been appointed by the department but on behalf of the three sectors to raise awareness with schools and their communities about the Australian curriculum. Other than that, there are no consultants within the department doing any of this work. Paul has just said that there are none in QSA, unless there is more information that you wanted to provide.

Dr FLEGG: Mr Herschell, is it the case that some teachers are expressing concern about the English component of the Australian Curriculum in understanding exactly what is expected there and how to apply it? Is that feedback that the QSA is getting?

Mr Herschell: Actually, the general feedback that the QSA has received with regard to the Australian Curriculum has been remarkably positive. I think there is genuine enthusiasm amongst the teaching profession. It is quite an exciting time for curriculum. The teachers that we are working with are really positive about the task, so no.

CHAIR: That brings us to the conclusion of non-government questions. So now is an ideal time to have the afternoon tea-break. We will adjourn and then resume in half an hour.

Proceedings suspended from 4.42 pm to 5.14 pm



CHAIR: The estimates hearing of the Industry, Education, Training and Industrial Relations Committee is now resumed. We will continue with consideration of the proposed expenditure for the organisational units within the portfolio of the Minister for Education and Industrial Relations in the area of education. I call the member for Woodridge.

Mrs SCOTT: Minister, I refer to 3-57 of the SDS, 'Strategic issues'. One of your department's strategic objectives is that Queensland children will have access to quality early childhood education and care to prepare them for school. Can you explain to the committee how you are achieving this goal?

Mr DICK: I thank the member for her question, through you, Mr Chairman. I can touch on and amplify some of the issues we discussed earlier in the estimates examination today. As I indicated earlier, early childhood education in Queensland is being transformed and reformed through the biggest investment in early childhood education and care services in Queensland's history. The Bligh government has implemented a number of strategies to provide access to quality early childhood education and care services. A key strategy, as I said earlier today, is creating more kindergarten places and that will be done by establishing up to 240 extra kindergarten services in areas of need. That will create, I can tell the committee, up to approximately 10,500 additional kindergarten places predominantly for children who are not currently attending any centre based early education or child-care service.

The aim of the government—and it is ambitious and there are going to be some issues along the way—is that by the end of 2012 a total of 108 additional kindergarten services will have opened on state and non-state school sites in Queensland. We will also continue to support currently existing kindergarten services by providing quality early childhood education. Under the Queensland Kindergarten Funding Scheme, these services have a funding guarantee ensuring they receive no less financial support than they did under the previous scheme.

Access to a quality education program is also increased through provision of funding for the first time to assist long-day-care services deliver kindergarten programs. That is a big thing in Queensland where a very large number of kindergarten eligible students attend long-day-care services. By providing funding support for those services, we will be able to create more choice for Queensland families and new opportunities for a formal program to be delivered.

In 2009, I am advised there were 16,000 kindergarten places available to Queensland children. Now there are more than 35,000 places in kindergarten and long-day-care services which I think is a terrific improvement. Having qualified early childhood teachers delivering kindergarten programs is a key factor that contributes to quality early education. We will be implementing a range of strategies to support the early childhood education and care workforce, including provision of over 100 early childhood teacher scholarships worth upwards of \$12,000 each to allow those early childhood teachers and care workers to upgrade their qualifications as well as providing new incentives to encourage teachers to work in rural and remote communities. That is a particular challenge for us in such a large, diverse and decentralised state. We need to ensure that children in regional, remote and geographically isolated communities have that opportunity. This was raised with me when I did my first series of forums on the Flying Start changes and the movement of year 7 into high school.

I did a tour of Western Queensland initially, stopping at Julia Creek, Mount Isa, Longreach, Emerald and Roma. I had the opportunity to talk to families directly through the school of distance education in Mount Isa, on the School of the Air, and also in Longreach. Some of those children live on properties which are bigger than small European nations. This just gives you an idea of the diversity of the education challenges we have in Queensland. I found this to be a terrific thing to be able to do. In our discussions, the issue of early childhood care for regional and remote families was raised and I have asked the director-general to look at some innovative ways that we might be able to deliver that.

This is about delivering consistent, quality kindergarten programs. In order to deliver that, we have developed the first kindergarten specific learning guideline in Queensland's history called the Queensland kindergarten learning guideline. This aims to maximise learning outcomes for children participating in kindergarten programs irrespective of service type or location. It provides specific advice to teachers about the development of kindergarten programs, monitoring children's progress and sharing information with families. Professional development on that is being delivered by the Queensland Studies Authority, which is another role that they will continue to play in the future in Queensland.

Delivery of those programs is a high priority for us, working within the national partnership framework that we have with the Commonwealth as well. We will deliver what will hopefully be a very important change in how we care for and educate the youngest of Queenslanders.

CHAIR: Minister, how has Queensland progressed with respect to the NAPLAN testing in schools since its introduction in 2008?

Mr DICK: Thank you, Mr Chairman, and I am pleased to be able to respond to your question. In doing so, it allows me to address some of the myths and misinformation that circulate in Queensland about the performance of Queensland students through NAPLAN. We have set for ourselves a target led by the Premier to become one of the top performing states in literacy and numeracy. We have embarked on a clear performance improvement agenda and we are seeking to lift students' literacy and numeracy achievements in every school.

Since 2008, Queensland has consistently shown across-the-board improvement in NAPLAN tests. Progress has been evident in the NAPLAN results for Queensland schools in each successive year's result. Many Queensland schools have shown high levels of performance relative to the performance of Australia as a whole. In 2010, improvement from the 2008 levels of performance was evident in 19 of the 20 test areas in Queensland schools. This improvement is greatly encouraging as it sits across all test areas and all test domains. These results highlight the importance of setting aspirational targets as part of our department's and government's improvement agenda. The benefits are clearly evident in the results achieved by Queensland schools in 2010.

We set high expectations, the performance has lifted and the results are improving. While we may not have achieved all of our NAPLAN SDS targets, we are seeing a definite improvement in performance. We are clearly making inroads to where we want to be. Queensland schools are third nationally in terms of the proportion of students achieving national minimum standards for year 7 numeracy and year 9 numeracy.

There is more work to be done but we are moving in the right direction. We are implementing a number of initiatives to achieve better outcomes, including active participation in the National Partnership Agreement for Literacy and Numeracy with the Australian government. We have also implemented the following: 10 to 20 hours of intensive teaching for students in years 3 and 5; 91 literacy and numeracy coaches have been made available to schools; by 2012 approximately 9,000 students will have attended summer schools in 72 sites across all regions during the September and January holidays; and quality literacy and numeracy resources and professional development for teachers have been made available, as well as vacation professional development for teachers focusing on improving the teaching of literacy and numeracy in all areas.

NAPLAN is not the only way to assess students and school performance but it is a critical measure to benchmark where we are and where we should be going. I am pleased to say that Queensland will receive \$48.5 million in reward funding from the federal government for meeting all of

its 2010 literacy and numeracy national partnership targets. We were the only state or territory in Australia to meet all of its 20 targets and that is a great credit, can I say to the committee, to the great teachers we have in Queensland schools.

Can I also say that our performance under the PISA testing—the Program for International Student Assessment—has been very significant for Queensland schools and we have achieved terrific results through that process. That is an OECD measure across all OECD countries. There is more we can do in maths and science and there are a whole range of programs I could talk at length about there but I might refrain at the moment. This is a significant reform agenda and I want to thank teachers in particular for their great commitment to improving literacy and numeracy outcomes in Queensland.

Mr KILBURN: Minister, on that same topic, SDS 3-58 talks about the national partnership agreements with the Australian government. Could you provide a bit more information and update us on how Queensland is tracking with meeting those targets as set out in the agreements, particularly in relation to literacy and numeracy in the national partnership?

Mr DICK: That is an important question. As I said, Queensland achieved all of the 2010 literacy and numeracy performance targets and will receive a 100 per cent payment of \$48.5 million through the literacy and numeracy partnership and Improving Teacher Quality National Partnership. That is a great thing and I cannot commend teachers enough, particularly those who are working in that space as targeted literacy and numeracy coaches, as well as how it is being embedded across all schools in the state school system in particular.

We are working on current targets for 2011 and I think it is important to continue to set aspirational targets to point the way forward. Queensland's achievement of the Improving Teacher Quality National Partnership is set to be assessed towards the end of 2011 but I am advised that Queensland is on track to meet the majority of those targets. Under the National Partnership Agreement on Youth Attainment and Transitions, there are potential reward payments of up to \$10 million in 2011-12 and 2012-13 based on the achievement of participation and attainment targets. Participation targets are measured against the number of students enrolled in school or in a vocational education and training course. We are on track to meet the 2010 participation target of 122,415 students. Attainment targets are measured against the proportion of students who have attained year 12 or certificate II results or above. Queensland's attainment rate has risen from 84.3 per cent in 2008 and is well on the way to reaching the ambitious targets set out in that national partnership. We are hopeful. We are not yet there, but we want to achieve that result and therefore receive a \$10 million participation and attainment reward payment.

CHAIR: Minister, what support is the government giving to special schools and special education units in schools?

Mr DICK: I know that is an important issue for the committee as well. This year state school funding for students with disabilities is \$723 million. I know previously I have discussed with the member for Chatsworth particular challenges in that space facing constituents in his electorate, as they face all of us. Delivering a very solid and sound basis for educational opportunity for all students, regardless of their particular needs, is very important. I know it is something the member for Chatsworth has a great commitment to, as do all members, including you, Mr Chair. I visited a special school in Toowoomba during the recent community cabinet and I saw some of the great work that is being done there, including the capital improvements that have been implemented at that school.

This financial year there is \$723 million in funding. We have got ongoing funding for the Transition to Auslan project of \$8.947 million recurrent. That funding will continue the great work in supporting deaf and hearing impaired students who require signed communication. Students with disabilities are also supported through a range of student support services allocated to regions and schools. These services include specialist teachers, assistive technology, alternate format materials, special provisions for assessment, speech language therapy services and learning support. This is provided in addition to what students receive from their school when they enrol, such as teacher and teacher aide time.

The department supports students with a disability in special schools at primary and secondary schools, with support from special education programs and through support services. There are a range of things we are doing there, including special education services and resources such as advisory visiting teachers, speech language pathologists, occupational therapists, physiotherapists, registered nurses and guidance officers.

There is a particular challenge in the state education system because we have a large proportion of students who have a disability in the state education system; indeed, 81.5 per cent of Queensland students with a disability are enrolled in state schools. That is an increase of 59 per cent between 1999 and 2009. Similarly, we have a very significant number of Indigenous students enrolled in state schools; 85.4 per cent of Indigenous students in Queensland are enrolled in state schools. We also have very high numbers of students from low socioeconomic backgrounds, as members of the committee would acknowledge no doubt. Also 89 per cent of Queensland students from rural and remote areas are enrolled in state schools. We carry a very significant responsibility in relation to those students in the state's education system, which is quite proper and appropriate. But that is a responsibility of the state system and there has been significant growth in those areas in recent years.

CHAIR: I call the member for Woodridge.

Mrs SCOTT: Minister, creating a national Australian Curriculum has been quite a challenge. Is our state on track with implementation?

Mr DICK: Thank you for that question. Following on from some discussions we have had earlier today, I am confident we are on track for a successful transition to the Australian Curriculum. As the acting CEO of the QSA said, there is genuine enthusiasm amongst teachers and school communities for the new national curriculum in Queensland, and I am excited about the opportunities that will present.

All schooling sectors—state, Catholic and independent—have agreed to implement the Australian Curriculum from prep to year 10 for English, maths and science from 2012 and history from 2013. The implementation schedule allows time for the Queensland Studies Authority in each schooling sector to provide the necessary support for successful implementation. Together, those three schooling sectors and the Queensland Studies Authority have created a detailed implementation plan to provide significant support to Queensland schools and to Queensland teachers for a successful transition to the Australian Curriculum.

This year the Queensland Studies Authority has provided 50 workshops in regional centres to over 5,000 teachers. A further 50 workshops across the state are scheduled from this month through to November to build teacher understanding of the specific features of the Australian Curriculum for English, maths and science. Professional development materials, advice and resources to support teaching of the Australian Curriculum will also be published on the Queensland Studies Authority website. In addition, each schooling sector has identified particular areas of need and will tailor support to the schools in their sector.

Education Queensland is building on the QSA's planning materials to develop comprehensive curriculum planning and teaching resources through the curriculum into the classroom, otherwise known as the C2C, project. These materials are designed to facilitate transition to the Australian Curriculum to enable state schools to maintain their focus on quality teaching to improve student achievement. In addition, we have a whole range of things. As I have said, we have those 50 workshops across the state and a whole range of other things we are doing to deliver that. But the news is good in the sense that there is a genuine commitment to delivering that, and we are on track for 2012.

CHAIR: Minister, I refer to the literacy and numeracy action plan. What initiatives are included in this action plan and how successful have they been?

Mr DICK: Thank you, Chair. Can I just recap where we are with that and what happened in the last financial year. In 2010-11 we successfully provided \$8 million for professional development for teachers in Literacy—the Key to Learning: Framework for Action where five days of literacy professional development for up to 28,000 prep to year 9 teachers was delivered. Additionally, 5,800 early years teacher aides received three days literacy professional development and teachers received professional development to support best practice in numeracy teaching as part of the Numeracy: Lifelong Confidence with Mathematics—Framework for Action. So that is what we have provided and you can see that that is what we are investing to get better outcomes in literacy, and that is a real tangible investment.

In 2011-12, \$26.2 million will be provided to complete the rollout of the \$72.3 million three-year literacy and numeracy action plan focused on supporting teachers and students through a variety of initiatives. Some 91 full-time-equivalent literacy and numeracy coaches will work with teachers to develop teacher capacity and support professional learning. Some \$12.25 million will fund the years 3 and 5 intensive teaching grant, which provides 10 to 20 hours intensive teaching for students in years 3 and 5. They are students who need assistance to meet national minimum standards in literacy and numeracy. There are also our summer schools. Four of the six summer schools have been delivered to over 7,700 students, and I am pleased to say that the September 2010 summer schools data indicates that approximately 77.8 per cent of students displayed an improvement in at least one aspect of literacy and approximately 82 per cent of students displayed an improvement in at least one aspect of numeracy. So those summer schools are having an impact as well, as is vacation professional development for teachers. So there are a whole range of things that we are continuing to do to get better literacy and numeracy outcomes and to give teachers the tools they need and students the support they need.

CHAIR: Thank you. It is time for non-government questions. I call the member for Moggill.

Dr FLEGG: Minister, this question is in relation to education services for Torres Strait Islander Queenslanders. The Tagai State College on Thursday Island is the high school for the Torres Strait, I guess you could say. Thursday Island is basically a small administrative island. The majority of the school-age population of the Torres Strait live on surrounding islands. Because there is no accommodation and property is inordinately expensive on Thursday Island, it has come to pass that around two-thirds of all of the high school cohort from the Torres Strait are being flown into boarding schools in places like Cairns because of the absence of any accommodation for them on Thursday

Island to attend their local high school. Minister, can you explain to us the impact of losing about two-thirds of that Torres Strait cohort, what sorts of offerings can be made locally on Thursday Island and what will be the impact of the move of year 7 for Torres Strait Islander Queenslanders?

Mr DICK: Thanks. Before I get to the member for Moggill's question, I just want to address a couple of issues that were raised earlier that I said I would try to get back to the committee on and then I will address those issues relating to Tagai. In relation to the age of year 7 students and their age relative to their counterparts in other states of Australia, following the implementation of the Flying Start initiative I am advised, and based on the age entry requirements of other jurisdictions, Queensland children in year 7 will be the middle of the year—that is, 30 June—be theoretically the same age as their counterparts in the Northern Territory and Western Australia. They will be two months younger than students in Victoria and the ACT. However, Queensland students will be one month older than their counterparts in New South Wales and five months younger than students in Tasmania. Of course, often New South Wales is held up as a high-performing state academically, and those students will be younger than Queensland students.

In relation to the capital costs for the public-private partnership schools—the seven schools we discussed—that is \$232 million in 2011 dollars. That will mean that the remainder of that money will be spent on maintenance. Can I just remind the committee that the duration of that public-private partnership is 35 years, which means that those schools will be maintained up to, on my calculation, 2037. Across the seven schools that is about 245 years of maintenance that will be carried out for the balance of that payment. So I am confident that those schools will be well maintained into the future.

Relating to the issue of the student hostel on Thursday Island, there are two student hostels there at the moment. We fund the Kaziw Meta student hostel under the Student Hostel Support Scheme. Kaziw Meta is maintained by a benevolent not-for-profit organisation and has capacity for 74 secondary students. The Canon Boggo hostel accommodates a range of students, including TAFE students, senior secondary and tertiary students, with a capacity of 35. Canon Boggo is managed by Aboriginal Hostels Ltd and is not funded under the Student Hostel Support Scheme. Based on residency patterns across the past several years, there is capacity to accommodate, I am advised, additional students at Kaziw Meta. At the start of semester 2, 2011 there were 40 students and in 2010 there were 47 students resident at the hostel. But we will look at that as year 7 is rolled out. I might see if the director-general wants to add anything further on that issue.

Ms Grantham: The only thing I could add is that we facilitated a meeting in 2010, I believe, with Ned David from TSIREC in the Torres Strait with the Australian government. Many of the hostels that are built throughout more remote areas are built by the Australian government and we facilitated that connection to see if they could do anything for them. The Australian government made the comment that whilst there was capacity in the existing hostels they would not look at that. But, again, in the context of the year 7 reform that is another opportunity.

Dr FLEGG: Thank you.

Ms Grantham: Dr Flegg, you asked earlier if I was able to tell the committee how much of the department's budget is spent on payouts, legal advice and legal defence. I can tell you that—I cannot tell you the percentage—\$4.7 million is the premium we pay to QGIF. We pay the first \$10,000 of claims, so our excess payment is \$444,471. That does not relate to a previous year; the question, though, relates to this budget in the past year. All legal advice and legal fees are within the QGIF costs. Can I just reiterate that not all are accidents or illnesses as a result of asbestos, trip hazards, sharp objects or other health and safety issues. Sometimes it is purely accidental that children are harmed at school.

Dr FLEGG: Minister, in the Building Bright Schools submission of the Queensland Association of State School Principals I notice they have expressed concern that many schools may not meet minimum standards and have called for an audit of schools to see that education standards are met—for example, the appropriate floor area of a classroom and the relationship of actual classrooms to the standards that should apply. Is the minister aware how many schools would not pass such an audit? Has the minister dismissed the call by the Queensland Association of State School Principals for such an audit, or does he intend to conduct one?

Mr DICK: No, I do not intend to conduct an audit at this time. There are many things that many sectorial bodies in the education system suggest that we do and I think the state school principals association, which is the body for primary school principals, suggested a range of things. Not all of them will of course be able to be funded within the funding envelope for the department, and I think some of their individual requests would be close to the entire departmental budget. So we will look at that. There are many different schools in Queensland which are built for historical reasons in very different and geographically diverse parts of Queensland. So I am not sure that a measure of floor space is necessarily a measure that is used to determine educational outcomes.

I just want to amplify some of the things I said earlier. We have 120 one-teacher schools. Some of them are very old buildings—single-building schools which have been in that part of Queensland for many years, decades in fact. I do not think the educational outcomes are necessarily compromised because it has been an old building. Similarly, we have 140 two-teacher schools and 400 primary

schools with five or fewer classes. There are great challenges in the very diverse range of schools that we have. So I do not intend to conduct an audit on floor space. I think we have probably got better things to invest in, including maintaining schools and turbo-charging where we are going to go with the \$50 million this financial year.

Dr FLEGG: Director-General, with reference to page 3-62 of the SDS in relation to newly constructed kindergartens constructed on state school sites, of those kindergartens already completed, how many are full to capacity and how many have continuing vacancies? Have any of these kindergartens scaled back their expected enrolment due to lack of applications?

Ms Grantham: I cannot answer that exactly but what I can tell you is that for the rollout for the kindergartens there is a guarantee of the subsidy that is paid to the kindergarten—so based on the number of students that will make it viable. So it is very attractive for kindergartens to fill their second unit in some cases as quickly as they can. In terms of opening the first unit, we fund the kindergarten to operate on the minimum numbers that they would require in order to pay a qualified teacher. Many of them have waiting lists—some do not—but in determining where those kindergartens were placed there was a very strict methodology applied that looked at the number of child-care centres that were in the area and the number of kindy places that were available. The rollout of the original kindergarten list is very much based on the areas of greatest need that was indicated through that data. So, no, I do not have the individual service levels and enrolments at those kindergartens

Dr FLEGG: I am a little surprised by that answer, because I thought the guarantee applied to their previous level of funding. It obviously applies to newly constructed kindergartens as well.

Ms Grantham: It does. It is important that those services are viable services. Obviously, in everyone's interests we want to build the capacity of the kindergarten and enable them to operate in the appropriate way.

Dr FLEGG: In relation to the overall expenditure on education, in the Queensland Teachers' Union's fairly comprehensive prebudget submission—that I know you would have read, Minister—there is extensive analysis of what the union considers to be underfunding due to the Commonwealth Grants Commission assessment that \$336 million less was actually spent than was assessed. I have a copy here of that submission if the minister requires it. That information came from the 2010 report on GST revenue sharing. Can you explain why there is a \$336 million difference between the actual spend and the assessed spend? What impact would this have on education—on the apparent underresourcing of some aspects of education?

Mr DICK: I think the honourable member is right to say the 'apparent' underspend as distinct from any realistic or actual underspend. The Commonwealth Grants Commission is something that all state governments have to deal with and the allocation of GST revenue, of course, is something that is a challenge for all state governments, particularly large growing resource states like Queensland.

That question fundamentally is one for Queensland Treasury. How that is determined is a matter for the Treasury, not necessarily for the education department. I do not necessarily agree with the analysis or the logic behind what the QTU has said. We have had a significant increase in our budget this year. That is the reality. The reality is that there has been a substantial increase—an increase of 7.6 per cent in the Education budget—to \$7.4 billion, \$10.342 billion on the Department of Education and Training as an entire entity. So that is \$10.342 billion increased over the last financial year from early childhood care and education all the way through schools to TAFE and vocational education and training.

I think the reality is that we have not short-changed Queenslanders, we have not short-changed education. In fact, we have continued to invest and increase our investment in education year on year while Labor has been in government.

Dr FLEGG: With reference to the cost to education department schools for the supply of electricity, I note that on 11 May you told parliament that the cost of electricity had risen from \$24.85 million in 2005-06 to \$37.38 million in 2009-10—an increase of about 50 per cent in electricity bills to schools despite energy conservation, solar and the like. Minister, can you tell the committee what the impact of a carbon tax would be on the cost of electricity to Queensland state schools and what additional measures other than those already planned will be undertaken to reduce the consumption of electricity?

Mr DICK: My only surprise at this question is how long it has taken for the member for Moggill to ask me a question about the carbon tax. I hope he is a believer in man-made climate change. I know he would have got instructions from the Leader of the Opposition—sorry, not the Leader of the Opposition here, that is Campbell Newman, the man outside the parliament who directs and controls what happens here and I welcome the Leader of the Opposition to estimates this afternoon. So the only surprise is how long it has taken.

Obviously, there is no carbon tax in Australia yet. In fact, there will not be a carbon tax—if it gets through the Commonwealth parliament, which appears likely—until the next financial year, until 1 July 2012. There will no doubt be some work and some modelling done on that as we move forward.

Certainly, the increase in electricity costs have not been limited to Queensland. In other states of the Commonwealth, including Western Australia under the control of a Liberal National Party government, electricity prices have increased substantially in Western Australia as well, including on a double-digit basis—I think higher than the increase in Queensland for the forthcoming financial year. I have no doubt that the Western Australian government will be subject to the same criticism of Liberal National Party members if there is any consistency in the argument.

No doubt there will be work done in our government when we see the full legislative framework. How that is going to be implemented will be managed, I am sure, very sensibly and effectively by the government overall and also by individual departments.

Dr FLEGG: In the Auditor-General's report to parliament No. 4 of 2011 the full cost of the OneSchool program is considered to be \$66.8 million and the annual maintenance cost of OneSchool to be \$7 million. Can you advise whether this is still the estimate and whether you expect the rollout to be completed for this price or for there to be some sort of cost blow-out?

Mr DICK: Yes. That is the short answer. I am advised there will be no cost blow-out in the OneSchool project. It is being delivered within its budget, within the budget envelope, as I have said previously, carefully and methodically to make sure that we get it right. We have gone to the next stage now and rolled it out in a larger number of schools and that rollout is proceeding well on the advice that is provided to me. So we do not anticipate any significant costs to be incurred outside of the funding envelope that has been allocated to this project.

Dr FLEGG: I refer to the overwhelmingly negative response of teacher representatives in relation to the Gillard government's performance pay initiative for teachers. Are you confident that measures such as NAPLAN and the other measures outlined will reveal the top 10 per cent of teachers regardless of the socioeconomic status of the school in which they teach? Given the serious potential threat to teacher morale, what negotiations have you conducted with the federal government to ensure that the wishes of front-line teachers are respected in how this money is allocated?

Mr DICK: I thank the member for the question—and it is a good question. We are working with the Commonwealth government in relation to the parameters of how that might be delivered. It was an election commitment of the Commonwealth government. It was discussed at the last ministerial council meeting of education ministers just last Friday. I think it does require close examination from my perspective. I am aware, as the member for Moggill has suggested, of the genuine concerns held by Queensland teachers in relation to the delivery of performance pay.

The federal government has announced funding of \$425 million over four years for a national performance pay program for teachers. We need to be, as the comments I have made in those forums, very careful in how that is delivered. We are not rushing to do that. I will be consulting. I have already had strong representations made to me by a number of teachers individually and also by teacher representative bodies such as the Queensland Teachers Union. I will not be rushing to see that rolled out. I want to see that it fits in well with how we deliver a large systemic education system in Queensland in the state system. I have instructed the department to work closely with stakeholder groups to ensure that teachers are appropriately remunerated for the work that they do. So we have a long way to go before that is finally executed and implemented and I think we need to be careful about it.

CHAIR: Member for Chatsworth.

Mr KILBURN: Mr Chair, I may have to declare an interest before I ask this question as I am married to a secondary teacher and I have a sister-in-law who is a primary school teacher and another sister-in-law who is a teacher aide.

Mr DICK: Can I say that everyone is related to a teacher. I have found that out since I became the education minister.

Mr KILBURN: Page 3-69 of the SDS talks about the number of school staff. Could you inform the committee how many additional teachers and teacher aides have been employed in Queensland state schools this year?

Mr DICK: I am sorry to be rude to the member for Chatsworth and speak over him. I should have held my tongue. But I am finding that everyone is related to teachers in this job. That is a great thing. Certainly, my sister is a teacher and other relatives in my immediate family, or my in-laws, are teachers, too. I have a special ministerial council comprising all of my relatives. I am very happy if your wife should seek to join that. I keep it to a limited group.

Can I indicate that there has been a significant investment in additional teachers and teacher aides in the 2011-12 budget. The number of teachers has grown steadily. Since the government was elected in 1998 the Queensland government has employed more than 10,000 extra teachers and teacher aides in Queensland schools. The number of teachers and teacher aides in state schools grew by 347 full-time equivalents between 2010-11 and a further 131 teacher aide full-time equivalents joined the school education workforce as a result of the Queensland government's \$43 million three-year commitment to allocate additional teacher aide time to primary schools. In the 2012 school year we will

complete this election promise by providing a final 131 teacher aides. So that is 5,000 additional hours each week. That will be teacher aide hours. That is in addition to teacher aide numbers based on student enrolments at each school which can be used by schools to support prep teachers at the start of the year and to help students in the lead-up to NAPLAN testing. So it is a very significant investment.

There is funding for an additional 300 teachers and teacher aides in the 2011-12 financial year to keep pace with growth in enrolments and to provide further support for students, including students with disabilities. On a day-to-day basis teachers and teacher aides work together closely to provide a quality educational service for Queensland students. That has been a great achievement over the last two years, which will be something that we will deliver in the next financial year as well to increase the number of teachers and teacher aides.

Mrs SCOTT: Much has been said in recent times about the National Quality Framework for Early Childhood Education and Care. Can the minister explain how the framework will build the quality of Queensland services?

Mr DICK: Queensland early childhood services have a strong record of providing quality education and care to Queensland children and we will be building on that as we move forward to universal access to kindergarten by 2013-14. The national quality framework commences on 1 January 2012, establishing a new nationally consistent set of quality standards for all kindergartens, long-day-care centres, family day care, outside school hours care and preprep services. So that is a big change—the national quality framework—and it is something that all states and territories are committed to delivering.

The national quality standard that falls under that national quality framework integrates both regulatory and quality standards and streamlines the regulatory burden, as most services will need to deal with only one level of government in the future. So that will be a reduction in compliance costs for those early childhood centres. The new standards set a new ambitious benchmark for all early childhood services to aspire to. From 2012, services will begin to be publicly rated on a five-point scale against new national standards, providing parents and the community with more information about the quality of services and to assist in their educational and care choices for their child. This quality assessment and rating process is designed with quality improvement in mind, encouraging service providers to strive for continuous improvement and to consider the quality and practices across an early childhood service. Trials of the assessment and ratings process were undertaken in 2010/11 involving 38 Queensland services. I am advised that that had a generally positive outcome for Queensland services.

We are continuing to implement the national quality framework. There will be a national law that needs to be implemented. That is a single law that will be implemented in all jurisdictions. It has been passed in Victoria as the host jurisdiction. It has been passed by New South Wales now. There will be some legislation that will come before this committee in the not-too-distant future for implementation in Queensland, as well as the regulatory framework that falls underneath that to provide consistency in standards across Australia. Again, that is a big national reform project.

CHAIR: With respect to early childhood education, there are concerns about affordability. Can you inform the committee of actions that you might be taking to ensure this does not impact adversely on the program?

Mr DICK: We want to ensure, of course, that the new national quality framework is affordable for Queensland families. A lot of work has been done in that space, including the delivery of subsidies through a number of Queensland government initiatives. Subsidies under the Queensland Kindergarten Funding Scheme include remote and lower socioeconomic subsidies to assist services to offset the cost of implementing and operating a kindergarten program. That is delivering a universal kindergarten. We will be supporting that through financial support as well as how the impact of the overall national quality framework is delivered. We need to balance the improvements with the affordability of child care for Queensland families.

We have already negotiated a range of concessions under the national quality framework to mitigate cost impacts for services and families. This includes delaying staff-to-child ratio improvements until 2016, allowing for existing services to continue to use staff rest breaks and rest pause arrangements and for services licensed prior to 2011 to continue to use the ratio of one to five for children aged 15 to 35 months. We are going to continue to work in that space. There are a number of things we will continue to advocate for and argue for at a national level that we want to see implemented. We will continue to negotiate with the Commonwealth government and our colleagues in other jurisdictions to see how that is delivered.

The preliminary advice that we have received through the analysis that has been done by the Australian government, in particular the cost estimates commissioned by the Australian government in 2009, suggest that the cost of Queensland long-day-care services will gradually increase by an average of \$5.99 per child per day by 2020. So we are a way off that. But we are leading national consideration of cost impacts for a number of services. We are looking at a small sample to better understand the potential range of costs. That is a very important thing for Queensland.

Mr KILBURN: I refer to SDS page 3-60 and the review of teacher education and school induction. I understand that there are still some outstanding recommendations from this review. How are these recommendations going to be considered and progressed?

Mr DICK: This is an important reform in how the induction and training of Queensland teachers will occur in the future. Just after I became the minister and before Easter, we released the analysis prepared by Professor Brian Caldwell and Mr David Sutton. They undertook a review of quality teacher preparation in Queensland education institutions and how that should occur in the future. They provided the government with 65 recommendations. I released that before Easter, if I am not mistaken, and we are supporting and implementing 24 recommendations immediately. That relates to good practice and program content in six key areas—that is, Indigenous education, special needs, behaviour management, early childhood education, parental education and professional standards.

I have set up a special ministerial teacher education implementation task force to deal with the 41 other recommendations. That will be chaired by Lesley Englert, who has been mentioned earlier today, who has very significant experience in curriculum. She is the Queensland representative on the Australian Curriculum, Assessment and Reporting Authority. She knows the curriculum back to front and knows what teachers need to know and how they need to be taught at university so that they can deliver in Queensland schools. She has very significant experience there. We have a number of stakeholders on that task force, including representatives of the Queensland College of Teachers, the Queensland Catholic Education Commission, the Queensland Teachers Union, Independent Schools Queensland, the Queensland Independent Education Union, Education Queensland itself and a representative from the Queensland Deans of Education Forum—so that is the forum of all education deans; they have a representative on it—and the Queensland Indigenous Education Consultative Committee.

Some of those recommendations were quite significant, including immediately raising the OP level for entry into bachelor degree programs by universities. We did not think it was fair to either students or the universities themselves to announce the implementation of that immediately. We thought it would be better to work with everyone together, but it is about lifting standards. This is a very important group that will work forward on those issues. I have asked for them to report back to me by the end of 2011, working in what is an important area.

Mrs SCOTT: Minister, how will the new single Independent Education Standards Authority assist in raising performance in all Queensland schools?

Mr DICK: When we released the Flying Start white paper on 9 June, we announced that we would be committing to the establishment of a new Independent Education Standards Authority that will assume the functions of the Queensland Studies Authority and the Non-State Schools Accreditation Board as well as be responsible for home education. So it is bringing together the Queensland Studies Authority and the Non-State Schools Accreditation Board, and that authority will be responsible for administering new school accreditation standards that will apply to all schools. Currently the Non-State Schools Accreditation Board accredits non-state schools—so independent and Catholic schools—and there are certain criteria that those schools must comply with. We want to apply that discipline to state schools as well.

The standards that will be established and developed by the new independent body will reflect essential expectations that all Queensland schools will be required to meet, regardless of where they are located or who operates them. This is expected to include key aspects of school education such as educational programs, student welfare and resourcing. So it is not about quality control of schools; it is about quality assurance, particularly for parents and other interested stakeholders.

There will also be a focus on school improvement and the use of student data to support improvements in teaching and learning. The development of new standards will be informed by key representatives from school communities. Again, we will work with all of the sectoral leaders in education to make sure we get a body that fulfils their needs, but we will listen to them as we roll that out. The integration of the Queensland Studies Authority and the Non-State Schools Accreditation Board functions as part of the new authority will ensure that standards relating to educational standards and school improvements are informed by current Queensland Studies Authority expertise in areas such as syllabus development, assessment and student outcomes. We will look to implement that new body by 2013. Again, that legislation will come before this committee for consideration. It follows what has happened in other jurisdictions throughout Australia, to have a single body that accredits all schools, and I think that will be a good discipline for the state education system and a good thing for education consumers which are principally, in Queensland, mums and dads. That will set a new standards framework, and I think that will be good for education generally but also good for specific schools.

CHAIR: With respect to early childhood infrastructure, I see that the government is intending to fast-track the introduction of 40 new kindy services this year. Can you tell us how many new kindys are expected to come online this financial year?

Mr DICK: Thank you for your question. As I said earlier, we are investing \$322 million to deliver up to 240 new kindergarten services by 2014. The extra kindergarten services are intended to cater for children who are not currently attending any centre based early education or child-care service. It is

pleasing that we are opening 85 extra services in 2012 providing up to 3,740 places. That includes 40 services that will be fast-tracked from those currently allocated in 2013 and 2014. We are going to fast-track them in 2012. So 85 extra services will open on state and non-state school sites across Queensland. We will be investing \$75 million this financial year to open 74 of these extra services on state school sites. The government is also investing \$22 million to establish 24 extra services on Catholic and independent school sites by 2013, 11 of which will open in 2012. Again, that is a demonstration of the valued partnership that we have with the non-state sector in Queensland.

Six new kindergarten services opened on state school sites in 2010, as I said earlier. Another 17 services will open in 2011 on non-state school sites, 16 of which have already opened. So we are almost there for this current calendar year. The co-location of kindergarten services on school sites will help children transition to prep, as we have talked about earlier, as they will become familiar with that school environment. An important factor in determining that for the government was the convenience of parents, to ensure they can do effectively a single drop-off at a single site for their children, particularly when they have got older children attending primary school.

So by 2012—and I have said before that it is ambitious—we will have established a total of 108 kindergarten services on state and non-state school sites providing up to 4,752 extra kindergarten places. Again, that is delivering the agenda for universal access to kindergarten to allow those children to get the best start to learning and life.

Mr KILBURN: I refer you to SDS page 3-60 once again. I have seen firsthand the great work that is done through the Stephanie Alexander Kitchen Garden Program. At Whites Hill State School we have the Grubby Gardeners. I have seen how great that is for the kids. What benefit will doubling the number of schools with the program provide to Queensland children?

Mr DICK: I thank the member for Chatsworth for his interest in the Stephanie Alexandra Kitchen Garden Program and also his commitment to environmental sustainability in Queensland schools. I know that he has been very passionate about the work that has been done at Whites Hill State College, a school that I am proud to share with the member for Chatsworth. He gets the school and the buildings and all of the great things happening in the school and I get the ovals, with the road running through the middle of the school, but we both have an interest in that school.

I know that you take a particular interest in the environmental program, which is a good program—it allows me to mention that—including the partnership that that school has developed with community organisations, including Rotary and others, that are trying to help develop an awareness and understanding of environmental sustainability in the school. Teachers are committed to delivering that through the curriculum but also how the school will develop over time, through its infrastructure, including green walls and the Grubby Gardeners program, which is for junior schoolchildren to learn about growing things effectively.

All members would be pleased with that so that children understand the basis of, I suppose, how food gets onto plates—not through a supermarket but through agriculture and what happens in a very large part of Queensland. It also allows children to develop an understanding of health and wellbeing, making the right choices about food. So we are proud to partner with the Stephanie Alexander Kitchen Garden Foundation to help promote healthy eating and cooking.

We will provide \$1.82 million in 2011-12 to expand the implementation of the national Stephanie Alexander Kitchen Garden Foundation program to another 25 primary schools in Queensland. That is a program that gives students the opportunity to try new and fresh food, improve their knowledge, competence and skills in cooking and gardening, and increase connections between school and community, which I think is a really positive thing. I have met with Stephanie Alexander to talk about this. She is very passionate about it and is very proud of what she has been able to do in schools throughout Australia. The Australian government partners as well.

I think this will be an exciting prospect for the future, I suppose embedding that understanding of 'paddock to plate' in the minds of Queensland's younger students—what happens in a garden all the way through to preparation of food and putting that on a plate. I know that there are a number of social functions that those school communities have and it is a really positive, fun and exciting thing for kids to be involved in.

CHAIR: The time allocated for the consideration of the estimates in respect of Education has expired. On behalf the committee, I thank the departmental officers from the Department of Education and Training for your attendance.

Mr DICK: Mr Chair, before I make a very short closing comment, the director-general wants to clarify a matter.

Ms Grantham: I would like to clarify the answer to a question regarding enrolments at kindies. New kindies are not eligible for the real funding guarantee. However, new services are guaranteed full funding for a whole group of 22, irrespective of numbers for the first year. We also pay an operational funding guarantee for a second program for the first year of operation, once enrolments reached 15.

Mr DICK: Mr Chair, at the end of the committee hearing can I thank the committee for their interest in the Education budget for 2011-12. I thank them for their interest and for their questions. I also thank departmental officers for their work in preparing for this hearing. They do a lot of work in preparing for this, which I think is a very good discipline for agencies, as it is a good discipline for ministers. I thank them for their very thorough work. I acknowledge the work of Mr Graham Atkins, the deputy director-general responsible for infrastructure. He has worked very hard in his capacity as the deputy director-general in the agency. I wish him well in his future endeavours.

Proceedings suspended from 6.16 pm to 6.19 pm

CHAIR: We will now move on to areas of industrial relations and workplace health and safety. On behalf the committee I welcome departmental officers from the Department of Justice and Attorney-General and members of the public to the hearing. I am Kerry Shine, the member for Toowoomba North and chair of the committee. Mr Jeff Seeney, the member for Callide, is the deputy chair. The other committee members are Mrs Desley Scott, the member of parliament for Woodridge; Dr Bruce Flegg, the member of parliament for Moggill; Ms Jann Stuckey, the member of parliament for Currumbin; and Mr Steve Kilburn, the member of parliament for Chatsworth. Mr Ted Malone, the member of parliament for Mirani, has been given leave by the committee to participate in the hearing.

I remind all those participating in the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard, I remind members of the public that, under the standing orders, the public may be admitted to or excluded from the hearing at the discretion of the committee. I ask that mobile phones or pagers be either switched off or switched to silent mode.

I remind members that recent changes to standing orders, set out in section 7 of the standing orders, now provide that directors-general and those chief executive officers may be questioned by the committee. For the benefit of Hansard, I ask departmental officers to identify themselves before answering a question. Member for Mirani?

Mr MALONE: Minister, I refer to the Industrial Relations Act, section 666(1) which states—

An employer must pay the wages payable to an employee under this Act...

...

Maximum penalty—200 penalty units.

Section 666(2) states—

(2) An offence under subsection (1) may consist of—

(A) a single failure to pay wages due on a particular day...

I will table that section if the minister requires it, although I guess he knows it off by heart.

This Sunday will mark 455 days or one year, two months and 29 days since the Premier said her Labor government would work day and night to fix the bungled health payroll system. Minister, why have former health minister Lucas and current health minister Wilson not been held accountable and face charges under this act for their failures?

Mr DICK: I thank the member for his question. It allows me to put on the record the issues in relation to the recovery of wages in Queensland, which I have previously spoken about at length in the parliament. That was two shadow ministers ago, if I am not mistaken. The whole system is designed to ensure that employers work cooperatively and productively when there is an issue with pay, regardless of whether it is a state entity or a private entity. That is the principle. Obviously, the recovery of money by a private sector employee is a matter now under the Fair Work system, which is regulated at the Commonwealth level. At a state level, the whole point is for the relevant agency to work to ensure that if there are any issues in relation to pay, they are dealt with on a cooperative basis.

I will go through the process. Any employees who lodge wage complaints with the Department of Justice and Attorney-General under the Industrial Relations Act have their matters investigated. Industrial inspectors have well-established processes for dealing with wage complaints. Those processes are followed where complaints have been made against any agency, including Queensland Health. When wage complaints are received by the department, inspectors make contact with the management in an attempt to resolve the matter as soon as possible. This is a fair approach and the reality is that it works successfully in getting outcomes for workers. If that is unsuccessful, in relation to a public sector entity a formal approach is made to the agency's chief executive officer. This sensible approach has seen less than 10 matters, I am advised, needing to be referred to an agency's chief executive officer in the past 10 years. In respect to Queensland Health, since 1 July 2010 five wage complaints have been lodged, three of which have been resolved. None of the matters have needed to be raised with the chief executive of Queensland Health. It is not a significant number of matters. The responsibility of the Premier and all ministers responsible for Queensland Health is to ensure that we do the right thing by those workers affected by the problems with the payroll system and we get them their pay.

Mr MALONE: Minister, you are telling me that if I had a business that did not pay correct pay for 455 days, I would be treated fairly, that your government department would not be all over me like a rash and that I would not be in a situation where I had to defend my reputation? Are you saying that there is one law for the government and another law for private individuals or small business? I find that hard to believe.

Mr DICK: I thank the member for the question. I think the member is conflating two different issues. One is systems problems with the payroll system with Queensland Health, which according to his calculation has been problematic for 455 days, and the actual pay that is paid to individuals. I assure the honourable member that if someone had not been paid for 455 days, if they had not received their pay for 455 days, there would need to be a very good reason, again under the Fair Work system or the state agency, for that individual not to have been prosecuted. The reality is that the member is conflating two different issues. The issue with Queensland Health pay is getting the pay right, getting the allowances right, adjusting the underpayments and the overpayments so that we get a fair and just outcome for workers. That is what the Labor government is committed to. That is what we have been committed to since this first became a problem. We will remain committed and we do remain committed to getting the system right. Despite a lack of acknowledgement from the honourable member, there has been a significant reduction in the number of underpayments and overpayments through each pay cycle over that 455 days. There has not been a consistent problem. It has changed and improved ever since the problem became obvious.

Mr MALONE: Minister, I guess from my point of view and for those employees who are not necessarily not paid but are not paid correctly, and there are still some in that situation, it is indeed 455 days. Frankly, as I said, I find it very difficult to understand that the government can—in your terms—walk away from a whole section of government in respect to employees' pay and not have some legal obligation to ensure that ministers and their departments are responsible for the absolute failure of your government to correctly pay your staff on time and in a timely manner. By your words alone you recognise the fact that currently members of a department are still not being correctly paid. I am sure that as a previous AG you should be, or I hope would be, briefing your cabinet on the responsibilities that your department and your ministers have in regard to this matter.

Mr DICK: I will take that comment as a question.

Mr MALONE: As a previous AG, have you briefed members of your cabinet in respect to the matters that I have just raised?

Mr DICK: How is what happens in the cabinet possibly relevant to the appropriation of the Department of Justice and Attorney-General for industrial relations for the financial year 2011-12? I think that demonstrates the lack of any examination by the honourable member of the budget appropriation for the year. I certainly will not be discussing, at an estimates committee, confidential discussions within cabinet, nor do I really believe the member for Mirani would expect me to do so. Whether he understands things or not—he says it is difficult to understand—I cannot explain it any better than I have done in my responses to his first two questions. Any complaint is investigated. That is the responsibility of the Department of Justice and Attorney-General. His whole line of questioning has not been relevant at all to the budget, but I am happy to take the questions. We investigate the complaints and if further action needs to be taken we take it.

Mr MALONE: With respect, Minister, I offered to table a portion of the Industrial Relations Act. I thought we were absolutely dealing with this segment in this part of the estimates committee hearing. I find it quite insulting that you would suggest that I am not on track. The reality is that obviously you do not see a problem. You need to talk to some of the people in the department of health whose pays are currently incorrect. Their employer is not correctly appropriating their pay and they are still in that situation after 455 days. However, we will leave that alone at this stage.

Mr DICK: I would like the opportunity to finish the answer that I was going to give before I was interrupted.

CHAIR: I think that is reasonable.

Mr DICK: Can I also indicate what steps the government has taken recently to address problems and concerns, particularly from those workers in Queensland Health, about payment. On 9 July the government announced a moratorium on the recovery of overpayments to strengthen the focus on processes to reimburse underpaid staff. In addition, the Queensland government will appoint an external workplace ombudsman to resolve any further complaints from staff about the process for Queensland Health's response, provide more support for line managers and better recognition for payroll staff, trial new pay cycle arrangements at a small number of sites and introduce new arrangements to ensure that, in future, adjustments will be made regularly so that staff receive their entitlements in a timely way and do not accrue large overpayments. I am advised that that arrangement has today been accepted by the Queensland Nurses Union, which voted to conditionally endorse that agreement about what we intend to do. I thank the Queensland Nurses Union for their conditional endorsement of that process.

Mr MALONE: With respect, I understand that the circumstances were such that almost a reverse onus of proof was placed on Queensland Health employees to prove that they were not paid. I think the scenario that you are suggesting basically resulted from the uproar of employees of the health department who were not able to prove whether or not they received their just rewards in terms of pay. The scenario that you are suggesting came out of desperation because you were not able to enforce the payment of funds in the case of workers who could not prove whether they were paid or not. I will leave it at that.

Minister, I refer to page 3-173 of the 2011-12 SDS relating to the Fair and Safe Work service area. I note from a previous question on notice that there has been a reduction in the number of cases settled in court. I therefore ask the minister: how many cases have been settled out of court in the last financial year compared with previous years? The crux of the question is: has WorkCover gotten soft on prosecutions, thereby justifying its out-of-court settlements?

Mr DICK: I am a bit quizzical, too, Mr Chair. The honourable member is discussing prosecutions at the same time that he seeks to ask questions about the resolution of workers compensation claims. From looking at page 3-173, to which he refers, I take it that he is actually referring to the resolution of common law workers compensation claims; is that correct?

Mr MALONE: That is right.

Mr DICK: Thank you for that clarification. So they are not, in fact, prosecutions. WorkCover works to resolve issues, if at all possible, outside of a formal legal trial. The reason they do that is so that matters can be resolved to the satisfaction of workers so they do not have to be put through the trauma of a trial. Not all trials are traumatic, but some are very difficult for people because it requires the re-examination of an incident giving rise to a sometimes very significant workplace injury.

The state should be a model litigant. We have principles that cover that, and I know that you are aware of that, Mr Chairman, in very close detail. You know about those model litigant principles in your former capacity as the Attorney-General. I think it is an appropriate thing for WorkCover to try to resolve these issues, saving both sides legal costs, without proceeding to a full trial. In cases of specific legal principle, often WorkCover pursues that matter through legal proceedings, including through a trial, if it is a very significant matter of legal principle or there is an issue about the nature of the claim. Certainly for lower level common law claims that is the appropriate way to proceed in relation to resolving matters.

The real focus of what we have sought to do since I announced the reform package in relation to the workers compensation system is on rehabilitation and return to work as well—so getting the worker back to work as soon as possible. We have delivered some really good things in that space. I thank QComp, the workers compensation regulatory authority, for that as well as WorkCover for their commitment. The focus should not be on the litigation, the injury or compensation; it should be on fair and appropriate compensation as well as getting the worker back to work. Ultimately, that is the best thing for that worker and their family.

CHAIR: In the remaining few minutes we might have some government questions. The member for Woodridge.

Mrs SCOTT: Can the minister please advise what the Bligh Labor government has done to assist Queensland's working families?

Mr DICK: I thank the member for Woodridge for her question. Implementing the federal government's paid parental leave scheme in particular is an important thing that will help support working families in Queensland. We will invest about \$3 million to set that up in Queensland and also about \$1.92 million to maintain that system.

Queensland government employees have benefited from paid maternity leave since the Labor government introduced it in 1996. Current entitlements are 14 weeks maternity leave on full pay including one week's paid spousal leave. The Queensland government supports the introduction of the new federal paid parental leave scheme, as I hope all members of the committee do. It provides eligible working parents on parental leave with up to 18 weeks of payment at the national minimum wage. Unlike the scheme proposed by the leader of the federal opposition, Tony Abbott, it did not result in an enormous, great big new tax on business, which is what he was proposing. He was proposing a tax on the wealthiest and largest employers to pay for his scheme. It is a stunning and amazing thing for the party allegedly of business to impose an enormous new tax on the private sector to pay for his paid parental scheme—one that I understand and recall correctly was not even considered by the shadow cabinet before he announced it.

The federal scheme will contribute to increased workforce participation and long-term economic security for women as well as the health and wellbeing of newborn or newly adopted infants. Under the scheme, employers will be required to deliver the parental leave funds provided by the Commonwealth to their eligible long-term employees after 1 July 2011. I am advised that approximately 10,000 Queensland government employees will receive the new payments each year. To ensure the scheme is implemented properly, the Department of Justice and Attorney-General has worked with other key agencies to ensure consistency across the Queensland government. That is an important thing. As it is

in the private sector, it is an important thing in state government to ensure that we deliver that and provide the best opportunities to women in the Public Service seeking to have children as well as all parents, including dads, who are seeking spousal leave.

CHAIR: Minister, what is the government doing to create awareness of the unacceptable rate of work related injury and disease through the broader Queensland community?

Mr DICK: Thanks, Chair, for an important question. It is important that we continue to have a focus on reducing workplace injury and, regrettably, deaths in Queensland. In 2010-11 we spent \$1.06 million educating employers and workers on the importance of health and safety so that at the end of every shift every worker can go home to their family. The most important thing for every worker in Queensland is to be able to go home to their family and friends each night.

Some of the key initiatives we have implemented include Safe Work Week, Safe Work Awards, asbestos awareness and encouraging industry to embrace the zero-harm-at-work philosophy. I am very pleased that, as part of Safe Work Week later this year, we have engaged mighty Mal Meninga as a safety ambassador to take the safe-work message out to the community. It is great to have him on board. Mal's father was affected very badly by a workplace injury, and Mal speaks from the heart about the impact those injuries can have. When Mal speaks people generally listen—unless they are part of the New South Wales rugby league, it would appear. The Homecomings campaign underpins that approach. That is the communication campaign that we take out about coming home safely at night. It is a very powerful set of ads that we launched initially. That has a strong impact on Queenslanders.

Safe Work Week in October remains our flagship annual event. We hosted 28 events in 2010 and we are looking to do that many again or more next year. We had a big Brisbane launch, with 2,000 people coming through King George Square. I was shocked and amazed at the number of people who wanted to speak to Mal Meninga and not me at that launch! He is a very popular man and is a great ambassador for the safety message, given the impact it had on his life. We will be looking to continue those things.

Since July 2010 Workplace Health and Safety Queensland's website has had 1.5 million visits. We are also out there doing on-the-ground work with businesses, particularly small- and medium-size business enterprises. This goes back to the previous question by the member for Mirani on workers compensation claims. We want to ensure that no-one is injured at work. So we attack it at both ends: ensuring there is the smallest possible number of injuries at work to avoid the need for compensation at all; and, if a worker is injured, focusing on rehabilitation and their return to work at the other end.

Mr KILBURN: Minister, I refer to page 3-169 of the Service Delivery Statements and ask if you could advise of the efforts being made to promote healthy lifestyles and to encourage healthy workers?

Mr DICK: Thank you for that question. In 2009 the Commonwealth, states and territories signed up to the National Partnership Agreement on Preventative Health. Under this agreement the Commonwealth government will provide nearly \$7 million over four years to Workplace Health and Safety Queensland. There will be healthy worker initiatives aimed at improving health outcomes for Queensland workers. There is a lot of interesting stuff being done in that space, including by trade unions. I have been pleased to be part of programs initiated by the Builders Labourers Federation, the CFMEU as well as the building industry superannuation fund. One of the great challenges is that those in the building industry carry out very hard, physical, manual work but often are unhealthy in significant ways, particularly in relation to obesity and lifestyle behaviours, such as alcohol, tobacco and so on, and develop heart disease as a consequence. We are looking to partner with all of those groups that are committed to improving worker health through that national partnership.

In 2011-12, Workplace Health and Safety Queensland's share of Commonwealth funding will be \$1.5 million. That will be used to implement healthy worker initiatives in the Queensland Workplaces for Wellness program. All healthy worker initiatives will need to have an evidence base and be shown to make a difference to health outcomes. We are going to target high-risk industries, as I have said, where workers are at risk, and also hard-to-reach workers. That will include small businesses in the construction industry and transport as well as in rural and remote industries. We will be reaching out to rural and remote parts of Queensland as well to try to get that health message out there again to deliver benefits for the longer term.

A rural working group has also been established to oversee the initial implementation of a health and wellbeing program, called the Sustainable Farm Families program. That will target rural families in five Queensland locations. The construction working group is promoting the Pit Stop program, which is a men's health program where men in particular can drop in to get a health check. It is about engaging men in talking about their health which is a big challenge historically. We are also working in the sun safety space. So there are a lot of good things happening to try to improve health outcomes for Queenslanders.

CHAIR: The time allocated for the consideration of the estimates for the organisational units within the portfolio of the Minister for Education and Industrial Relations has expired. The transcript of the hearing thus far will be available on the Hansard page on the parliament's website at approximately 8.15 pm. On behalf of the committee, Minister, I thank you and your departmental officers for your attendance.

That completes the committee's hearing into the matters referred to it by the parliament. Before I conclude, on behalf of the committee I thank Hansard staff and the attendants for their assistance. I also thank my fellow committee members, the deputy chair and all members, for their cooperation throughout the day. I declare the 2011 estimates hearing of the Industry, Education, Training and Industrial Relations Committee closed.

Mr DICK: Mr Chairman, can I just add my thanks to parliamentary staff as well as staff of the Department of Justice and Attorney-General working in the Office of Fair and Safe Work Queensland for their diligent work generally but also in preparing for the estimates hearing. I thank them for that.

CHAIR: Thank you.

Committee adjourned at 6.47 pm