

## TUESDAY, 19 JULY 2016

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### ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—LEGISLATIVE ASSEMBLY AND PARLIAMENTARY SERVICES

#### Estimate Committee Members

Mr PS Russo (Chair)  
Mr RA Stevens  
Mr LL Millar  
Mrs JR Miller  
Mr DA Pegg  
Mr PT Weir

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#### Members in Attendance

Mr TJ Nicholls  
Mr SA Emerson  
Mr RJ Pyne  
Ms FS Simpson  
Mr JM Krause  
Mr JP Bleijie

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#### In Attendance

Hon. PW Wellington, Speaker  
Mr N Laurie, Clerk of the Parliament  
Mr M Ries, Deputy Clerk  
Mr M Hickey, Director, Corporate Services and Electorate Office Liaison  
Mr C Atkinson, Manager, Financial and Administrative Services  
Ms K Brennan, Parliamentary Librarian

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#### Committee met at 9.01 am



**CHAIR:** I declare the Finance and Administration Committee's public hearing for the examination of the Appropriation and Parliament Bill 2016 open. On behalf of the committee I welcome the Speaker and the Clerk, departmental officers and members of the public. I am Peter Russo MP, the member for Sunnybank and chair of the committee. Joining me on the committee are: Mr Ray Stevens MP, Deputy Chair and member for Mermaid Beach; Mr Lachlan Millar MP, member for Gregory; Mrs Jo-Ann Miller MP, member for Bundamba; Mr Duncan Pegg MP, member for Stretton; and Mr Pat Weir MP, member for Condamine. The committee has also given leave for other members to participate in the hearing today and I welcome Mr Tim Nicholls MP, Leader of the Opposition, and shadow minister for art and major events and member for Clayfield.

The committee will now examine the Appropriation (Parliament) Bill 2016 and the estimates for the areas of responsibility administered by the Speaker. The committee will consider the estimates for the portfolio until 10 am. The proceedings today are lawful proceedings and subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted

to this hearing may be excluded by order of the committee in accordance with standing order 208. In relation to the media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules. The committee's hearing is being broadcast live by the parliamentary services website and to receivers throughout the parliamentary precinct. Before we begin I ask that all mobile phones be either switched off or turned to silent mode and remind you that no calls are to be taken inside the hearing room. For the benefit of Hansard, if advisers are called to answer please state your name before speaking. I now declare the proposed expenditure for the areas of responsibility administered by the Speaker open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Mr Speaker, the committee has resolved that you may make an opening statement of no more than five minutes. Do you wish to do so?

**Mr SPEAKER:** Yes, please. Thank you, Mr Chairman and committee members. I am very pleased to appear here today at the 2016-17 budget estimates hearing for the Legislative Assembly and Parliamentary Service. First, I respectfully acknowledge the traditional custodians of the land upon which our parliament stands. I also welcome our Clerk, Mr Neil Laurie, and other officers of the Parliamentary Service who are here to assist in answering questions regarding the Appropriation (Parliament) Bill. Our parliament has undergone significant change in the last five years. I am not referring to the political changes resulting from the two elections in that period: I am referring to the change in the way that the parliament goes about its business. The portfolio committee system has fundamentally altered in a very positive way the way our parliament works. Our parliament as a whole may sit between only 16 to 18 weeks a year but through its committee system the parliament is constantly working. The committees are listening to the views of stakeholders in hearings and forums, conducting inspections, and meeting to formulate policy or review legislation.

It is important to emphasise that the work of these committees not only occurs here on the precinct but throughout our great state. Not only has the portfolio committee system impacted upon the committee office but upon many other areas of the parliamentary service such as the Parliamentary Reporting Service—commonly known as Hansard—the library services, property services, information technology services, and travel services. As the parliament changes, so must the parliamentary service. I recently approved a new strategic plan and organisational structure for the parliamentary service. The previous organisational structure was put in place over 15 years ago and predates mobile computing, smartphones and social media. It predates significant procedural changes such as the broadcast of parliament, the *Record of Proceedings*, e-petitions and the new portfolio committees. It predates the doubling of electorate office staff from 89 full-time equivalents to over 180 full-time equivalents. It predates the new members remuneration system, and it also predates a raft of new governance obligations in the areas of security, workplace health and safety, risk management and business continuity, and audit, to mention a few. The organisational structural changes have been undertaken within existing resources. The Clerk and I believe that the changes were necessary to ensure the continued high performance of the Parliamentary Service.

I refer now to some specific new initiatives within the appropriation. I thank the government for supporting my funding request for three additional positions within the committee office. The additional positions will better enable committees to undertake their responsibilities. Further, should the Constitution of Queensland and Other Legislation Bill 2016 be passed, the committees are given the power to self-initiate inquiries within their portfolio areas. The additional resourcing will support those additional inquiries. In terms of capital works, I had hoped that the work on level seven of the parliamentary annexe would be complete by this hearing. Due to a number of unforeseen matters, that has not been possible; however, I hope that the works will be completed by September and that level seven will be available for normal operation towards the end of September this year. Yesterday I conducted a further site inspection on level seven and am confident that, when complete, it will provide not only a fix to our waterproofing issues but a much more practical venue for future functions.

As members know, the parliamentary annexe is almost 40 years old and is in need of mid-life rejuvenation. The Clerk and I see the works on level seven as the significant first step in that process. We have spent almost 25 years on the restoration of the external stonework of the Old Parliament House and that will be completed shortly, whereby we will then proceed to repainting the remainder of the interior. Perhaps we can then turn our attentions to the parliamentary annexe. In closing, I am honoured to appear before the Finance and Administration Committee to speak to the parliamentary appropriation and to thank the committee for its work in scrutinising the budget in its portfolios over the course of the day.

**CHAIR:** Thank you. I call the Leader of the Opposition to commence proceedings.

**Mr NICHOLLS:** Mr Speaker, thank you for that report and we will obviously ask questions in relation to some of those matters. I appreciate and understand the obvious physical constraints that need to be taken into consideration when providing accommodation in the old house for the member for Cairns. What considerations did you take into account when also providing accommodation in the old house to the member for Cook, Billy Gordon?

**Mr SPEAKER:** The member for Cook was initially accommodated in the annexe. An approach was then made to relocate. I considered that matter in consultation with the Clerk, and perhaps the Clerk can give further details in relation to the circumstances surrounding that.

**Mr Laurie:** Essentially the member for Cook requested to be relocated because he was not enjoying the quiet amenity that he otherwise desired, if you like. In other words, he felt he was too accessible to other members in the circumstances of the current parliament. The only available room that we could find to relocate him was one on the bottom level of Parliament House that was not being utilised at that point in time.

**Mr NICHOLLS:** I understand that. The approach to you to relocate was made by the member for Cook?

**Mr Laurie:** I think the original conversation may have occurred with the Leader of the House and then at some stage I spoke to the member for Cook about it as well.

**Mr NICHOLLS:** If other members felt that their level of amenity—because they were too approachable by other members of the parliament—was being impugned, similar requests can be made?

**Mr Laurie:** As you know, I have been here for 23 years or thereabouts and this sort of request is not often made. I suppose it is a request made given the particular circumstances of the member for Cook and the particular circumstances of this parliament.

**Mr NICHOLLS:** In terms of those circumstances, are they different from other MPs who have been in this space in the last 23 years?

**Mr Laurie:** I think that we have had instances in the past where members may have left their party and didn't want to be located on a floor that was the same as their party or indeed on another floor, and we have tried to accommodate those members when those circumstances have arisen. For example, I can recall at one stage a member located on an area in level seven of the parliamentary annexe; in fact, I can recall on two occasions members were located there. One was a former member of the One Nation Party in the 1998 era, and the other was a former member of the LNP who at one stage had left the party. We found them alternative accommodation. At that stage we had a room available on level seven. It has happened in the past. It is not something that is frequent. Obviously when a member requests even directly or indirectly to be moved, we will consider the circumstances and try to accommodate them when we can.

**Mr NICHOLLS:** Would it be normal for those members to be relocated in the annexe rather than in the old house which tends to be reserved for ministers?

**Mr Laurie:** Rooms in the old house tend to be first dibs for ministers and other office holders, for example whips or whatever the case may be. In this instance, the most available room, if you like, was a vacant room which was not being used by ministerial people in the past but which was used by people such as Speaker's office staff. On some occasions it may have been used by assistant whips and such people. It is not a very desirable room, shall we say, but it was available, and so that was the easy fix in this instance.

**Mr NICHOLLS:** Are there instances that you can recall where a backbencher has been relocated from the annexe into the old house?

**Mr Laurie:** No. This would be the first one that I can recall, but in those other instances we did have another venue at that time on level seven. That was not a particularly good venue either, shall I say.

**Mr NICHOLLS:** Would it be fair to say that the member sought to be relocated away from other members and so the location in the old house was his desired location?

**Mr Laurie:** I cannot say that. All I can say is that there was a desire by the member to be relocated from where he was and that that was an available venue.

**Mr NICHOLLS:** In an earlier answer you indicated that he was anxious to have some separation from other MPs; that he was too accessible to other MPs?

**Mr Laurie:** That is correct. I try to be delicate with these things. Obviously the member felt that he was being put upon an awful lot by other members in the circumstances of this parliament and that he wanted a venue change.

**Mr NICHOLLS:** Mr Speaker, in April this year CFMEU members marched out the front of Parliament House. Following this rally, numerous CFMEU members were reportedly seen wandering around the halls unaccompanied by either a member or a staff member. Mr Speaker, at any time did you commission a report into these allegations that were reported on? Were you satisfied with the outcome of that report in terms of access to the precinct and that no breach of security occurred?

**Mr SPEAKER:** I do not know that I commissioned a formal report. The matter was raised. I investigated it and the matter was resolved.

**Mr Laurie:** I am not aware of there being reports of CFMEU members wandering unaccompanied.

**Mr NICHOLLS:** There were media reports and the matter was raised in the House I think.

**Mr Laurie:** I have no recollection of that. There was one incident which related to a person who had entered the precinct with a member wearing a CFMEU T-shirt who was challenged by security and later that person was made to cover that, but I am unaware and the Sergeant-at-Arms has advised me that he is unaware of other reports of CFMEU members wandering unaccompanied.

**Mr NICHOLLS:** I think there was a very large rally—

**Mr Laurie:** Yes, I can recall the rally.

**Mr NICHOLLS:**—in front of the parliament and then there were reports afterwards, amongst other things, of CFMEU members hanging over the balcony of the Port Office Hotel. There was also a report that a number of people had entered the precinct and there were concerns that were reported on about whether security had been properly followed in those circumstances.

**Mr Laurie:** I can recall no report to us of unaccompanied CFMEU members in the corridors of the House. The Sergeant-at-Arms has no recollection of it. As I said, there was one incident of a person wearing a CFMEU T-shirt and that was dealt with by both the Speaker and me.

**Mr NICHOLLS:** Mr Speaker, you have spoken about the resurfacing project on level 7 of the annexe. You said that you inspected it yesterday, and I think we all heard noises yesterday coming from the ongoing works. Perhaps we would have preferred to hear more noises earlier in the piece coming from works there. You say 'unforeseen works'. Can you give us greater detail? I notice in one of your answers on notice that you refer to asbestos being there. Why was there not an understanding or a record of asbestos being there in the first place?

**Mr SPEAKER:** I will take the question in two parts. Unfortunately, we are not able to control the weather. One of the major complicating delaying factors—

**Mr NICHOLLS:** I think there are some people in this House who think they can control the weather.

**Mr SPEAKER:** Usually at this time of the year, Leader of the Opposition, it is very dry in this part of Queensland.

**Mr NICHOLLS:** It is pretty dry in this place, Mr Speaker.

**Mr SPEAKER:** Level 7 is very wet and has continually been very wet, and that has caused major problems with being able to seal the surface. I invite the Clerk to go into further details. On the specific issue of asbestos, unfortunately we were not aware and there were no records, I understand, of the amount of asbestos that was provided when the annexe was built. If my recollection is correct, I think it has cost over \$300,000 to remove the asbestos. I understand that when the New South Wales parliament undertook similar renovations or refurbishments they had to spend similar money. I think it was about \$300,000 as well. It has been very unfortunate. That has had to be managed. We are doing the best we can. Perhaps the Clerk would like to go into further details in relation to this.

**Mr Laurie:** Very briefly, there are three reasons for the delay in general terms. The first is the amount of asbestos that was uncovered. We have entries on the asbestos register. We have had surveys of asbestos before. The asbestos that was uncovered was in places which had not been uncovered by previous surveys. For example, if you can recall level 7 in its heyday with those very large planter boxes that were up there, unbeknownst to us those planter boxes were sealed underneath by an epoxy resin material that had a lot of asbestos in it.

The walls of the squash court were lined with fibro-asbestos and filled with bean bag balls which had been rubbing in there and contaminated themselves with asbestos. The pool, which turned out to be 24 tonnes of steel, was encased in a waterproof resin material that was full of asbestos. Quite frankly, there was asbestos everywhere we went and turned over things. That was one of the reasons for the delay.

The other reason for the delay was that when we took off the existing tiled surfaces up there some of the existing surfaces were (a) uneven and (b) very thin at points so we had to build up the surfaces a bit. That was unexpected. The rain has been a significant issue because in order to apply the second level of waterproofing there has to be dry bedding. The rain has been unexpected and heavy at times, and it is proving very difficult for the bedding to dry out. A contributing cause has been the establishment of 1 William Street, because it has put a shadow over us a lot of the time and we are not getting much sunlight on level 7 at the moment.

The last issue relates to the drying of the bedding but it also relates to the second level of waterproofing. We are having difficulty with that because it is not sticking to the bedding, so they are going to change the product. We do not know why it is not sticking to the bedding. It is either some sort of chemical reaction or it is to do with dampness, but in any event they have had to abandon what was the planned second level of waterproofing and go with another product.

**Mr NICHOLLS:** I appreciate all of that. In the answer to the government question on notice, it refers to management decisions. I presume they are around timing and those sorts of things. Are there other issues in relation to that over and above the timing issue? Are there changes to the scope of works?

**Mr Laurie:** No, the scope of works has only changed to the extent that we have had to make changes because of things like the levels, for example. There were some structures that had to be put in in order to make sure that water did not run into level 7. We did do some minor works around that. The management decisions we refer to there are where we have halted work because the work is interfering in the work, for example, of committees and sittings. The work has been noisier than we thought it would have been and therefore we have had to halt work during certain periods and that has obviously delayed progress. When they were removing those gigantic planter boxes, they were full of steel and asbestos. The noise was incredible. We had to get them to stop on a number of occasions because of the noise impact. The pool turned out to be a significant issue of removal too. We had to get it cut into three pieces and removed by a crane.

**Mr NICHOLLS:** Is your now anticipated total expenditure the \$3.874 million that you are talking about there? Is that inclusive of the \$300,000 additional costs as a result of the asbestos?

**Mr Laurie:** That is right. It is about \$300,000 for the asbestos and the remainder is that range of other issues.

**Mr NICHOLLS:** Mr Speaker, you referred to the level 7 works being the first stage of the works. Do you envisage what stages 2, 3 and forever are going to be in a 40-year-old building, or are you just concentrating on getting this finished now by 31 August, which you seem to be hopeful of but are not quite guaranteeing?

**Mr SPEAKER:** Leader of the Opposition, I am more than happy to have further conversations with you, your colleagues and government colleagues on the Committee of the Legislative Assembly and especially with the Treasurer in relation to what funding is available for further works. There will always be a requirement for further works to be undertaken. We will work within the budget that we have as best we can.

**Mr NICHOLLS:** Is there an idea of what the next stage of level 7 might be? Perhaps the Clerk might have a view? I know it has been a topic of discussion in the past, knowing the Treasurer is notoriously tight with these sorts of things.

**Mr Laurie:** That has always been our problem with Treasurers, hasn't it? In all seriousness, Mr Nicholls, we are currently in the process this year of doing a full condition report. We would prioritise work depending upon that condition report. When we are talking about a building that is getting towards the age of the annexe, some of the issues are cosmetic and some are within the structure itself. We have been dealing with issues in the annexe in terms of things like pipes, electricals, air conditioning and all those sorts of things. The condition report will inform us as to the best way to proceed, but I think everyone in parliament has to recognise that at some stage there is going to have to be a considerable investment in the annexe in order to let it go another 40 or 50 years, because it cannot be not addressed. Eventually it will have to be addressed.

**Mr NICHOLLS:** Once the condition report is done and you have had the opportunity to consider it, is that something that will be available for discussion given that it is attached to probably Queensland's most significant historic building and forms part of the precinct?

**Mr SPEAKER:** Leader of the Opposition, I can assure you that you will be fully informed through the Committee of the Legislative Assembly, through your leadership team and the government's leadership team and we will together make a decision as to the next step.

**Mr NICHOLLS:** Mr Speaker, in your opening address you referred to the organisational structure of the parliament changing for the first time in I think 15 years. Can you provide us with some more detail of how that structure is going to change, how you envisage it is going to change and what it will mean for the delivery of services both to members and more broadly to the benefit of people who rely on this place?

**Mr SPEAKER:** The previous structure was a two-portfolio structure. It is going to change to a four-portfolio structure. Perhaps the Clerk would like to provide further details about the breakdown.

**Mr Laurie:** At the moment we have only two divisions. Going forward, as approved from 1 July, there will be four divisions. The first division is the Assembly and Committee Services Division, which, as the name suggests, will essentially be those matters that are directly involved in the House and committees—Hansard, the Table Office and the committee office. Then there will be the Information Services Division, which is essentially the library section split into two sections—a records management section and Information Technology Services under one Information Services Division. There is the Corporate and Electorate Services Division, which will be human resources and financial administrative services. It will also have the function of more directly looking after the electorate officers. The last division is the Property and Facility Services Division, which will look after catering, electorate office accommodation, precinct services, and security and attendant services.

The reason they have been broken into those areas is I believe and Mr Speaker believes that they are the areas that give us the greatest synergies. That is, if you look at the Property and Facility Services Division, those are the areas that have to work closest together, as it is with the House services. The changes have been brought on by a lot of things talked about by the Speaker—the increasing activity of the committee system, the growing importance of security on accommodation, the increasing maintenance required on the precinct and the issues in relation to electorate officers. To put it bluntly, under the two divisional structure things were getting logjammed at the top too much. Part of this is about devolving responsibility down a lot more as well, so those divisional directors will have a lot more devolved authority to deal with things. We have done this restructure within existing resources, so we are continuing to be very frugal.

**Mr NICHOLLS:** Has that restructure taken place, or is it in the process of being undertaken at the moment? The second part of the question is: how is it going to look for people on the outside of the Parliamentary Service or how are we going to be affected by it? How are members going to be affected by it, if at all?

**Mr Laurie:** Yes, it has taken place for a start. Katherine Brennan, the Parliamentary Librarian, has taken over the information services branch. At this point in time Katherine is in charge of the Library Research and Information Services, the Library Information Services, Records Management Division and also the Information Technology services. That is in place. We are currently in a recruitment process for the new division head for the Property and Facilities Services and there will be a transitional approach to that. Almost immediately they will take over the existing Property Services. In January they will take over Catering Services and by the end of the June next year they will have taken over the Security Services. We are transitioning in there because we are very knowledgeable of the fact that we are going to have a new person in there dealing with it. There are significant issues in relation to that area that have arisen out of a review of Property Services that we did. Our relationship with DPW is changing significantly as a result of that review. There is a lot of implementation things to occur in the first six to 12 months. That is why we are phasing in that particular divisional structure.

In terms of how it will look to people on the outside, particularly members, I am hoping it will mean that we can increase our responsiveness to members. I am certainly trying to move into a mode where everything coming to me or the Director of Corporate Services or the Deputy Clerk is not actually logjamming anything. I will be very keen for these divisional directors to have more direct contact with members and hopefully that will increase responsiveness to members.

**CHAIR:** I now pass to the member for Bundamba to ask her first question.

**Mrs MILLER:** I refer to page 3 of the SDS and my question is to the Speaker or to the Clerk. Has there been any consideration given to backfilling the electorate officer and assistant electorate officer positions due to holiday leave and sick leave, particularly in relation to standard public administration practices where there is a global budget and the on-costs for such leave are included in the HRM budget? In other words, I know that members can take that month's leave out of their electorate allowance. However, I believe that that is unfair and that this should be coming out of the global HRM budget.

**Mr SPEAKER:** Thank you, member for Bundamba. I will start and then pass to the Clerk. Most members have two staff in their electorate offices and I understand some have the capacity to do job sharing, so there may even be three staff. They have an electorate officer and an assistant electorate officer. The exception is the members representing the five large electorates, who are provided with two electorate officers and one assistant electorate officer to service both offices. The *Members' Remuneration Handbook* states—

Where full-time Electorate Officers are absent upon approved leave ... arrangements are to be made internally within set staffing allocations, except where a Member is entitled to a second electorate office.

For the majority of members if one of their staff is on approved leave, for example a sick day or holiday, they are not provided with the relief. However, the *Members' Remuneration Handbook* and award provides that relief staff may be engaged in certain extenuating circumstances, so if there is parental leave, leave without salary, long service leave, sick leave of a minimum of five weeks or situations where both officers are absent, for example where one staff member is on approved leave and the second staff member is unexpectedly absent, or other circumstances approved by me on a case-by-case basis. Requests for relief staff that meet one of the above five criteria will be approved by the Human Resources Services staff. Requests for relief staff that do not meet one of the above criterion are referred to myself for consideration. Members with two electorate offices, for example members representing the five large electorates, may also engage relief staff for their office that has only one staff member when the staff member is absent on approved leave. My understanding is that relief staff were engaged in 12 electorate offices during the 2015-16 period with the costs being almost \$27,000. Replacement staff associated with leave without pay and long service leave are excluded as these are cost neutral to the service. Mr Clerk, is there anything further that you would like to add?

**Mr Laurie:** The issue of relief staff for recreation leave and sick leave across-the-board in electorate offices has been the subject of some discussion and submission over a lengthy period of time.

**Mrs MILLER:** It has never been fixed—

**Mr Laurie:** No, it has not.

**Mrs MILLER:**—and it needs to be.

**Mr Laurie:** One of the reasons why it has not been fixed is that we estimate to cover the leave entitlements would be about \$900,000. We do not have that funding. We would have to get that funding. To cover the sick leave that you are talking about would be in excess of \$450,000. They are our best estimates. We are looking at about \$1.3 million to \$1.4 million. That is a real financial cost if we were to do that. There has not been an appetite in leadership of both sides for that sort of change for a long time and it has been discussed.

**Mrs MILLER:** The parliament expects members of parliament to wear the cost of replacing electorate officers when they are on holidays—I am not talking about sick leave—through their electorate and communications allowance, which means that there is less money in effect that the MP can spend in their community, for example, supporting Meals on Wheels or other community organisations like the scouts et cetera. That is the effect of it in reality, is it not?

**Mr Laurie:** It is not the case that each and every position within the Parliamentary Service generally is funded—we are funded to pay staff the rec leave, but we are not funded to cover every staff member in every circumstance, either.

**Mrs MILLER:** Yes, I know that, but within the Parliamentary Service here it is very different to being out in the electorate offices. I can assure the Speaker and yourself as Clerk that when one of my electorate officers is off on holiday leave, which comes to eight weeks per year, my office is like Grand Central station with people coming in and out all the time and we find it very difficult. I am asking again for you to consider this. I am not so much worried about sick leave, but I am certainly concerned about eight weeks per year where the parliament expects one electorate officer to undertake this work.

**Mr Laurie:** There is one other aspect that is tangentially relevant here and that is that we are in the process at the moment of, as a starting point, reviewing electorate officer positions. There have been a number of submissions made by electorate officers and members on behalf of electorate officers around a whole range of things to do with the electorate officers. We think that the proper place to start—and we are doing this in conjunction with their union—is to actually review the electorate officer position. I do not want to speak on behalf of Mr Speaker, but I do not think we are unsympathetic to the issues that you raise. However, the reality of the situation is that we would need the support of government in order to fund that sort of initiative.

**Mr SPEAKER:** Can I just reiterate I understand this is an important issue. However, if we were to fund that—\$900,000 is a lot of money that we do not have at the moment. We are already in discussions with the government in relation to some other significant projects. I just think that is the focus: we do not have those funds; we need the funds from the government, but we are in the process of reviewing the work that the members' staff do. That is including the Together union. We will be waiting for that information from the electorate officers.

**Mrs MILLER:** I have a follow-up question as well. It is in relation to cleaning. I refer to page 3 of the SDS and page 40 of the member's handbook. Mr Speaker and Mr Clerk, I know that there is an annual amount of \$1,500 in relation to cleaning of electorate offices. When you take into account that you have to steam-clean carpets once per year and some of the leases also require you to have pest control as well, that might be around \$400, which brings it down to approximately \$1,100 per year. I was wondering whether the parliament has done an audit to ensure that MPs who are employing cleaners are, in fact, paying award wages to those cleaners. I will always stand up for workers' rights. I would like to be assured that MPs who are employing cleaners are paying them the appropriate wage, which I understand is roughly \$24 per hour. Has an audit been done?

**Mr SPEAKER:** Perhaps, Mr Clerk, if you can assist with the question in relation to the audit.

**Mr Laurie:** We do not reimburse the cleaning invoices unless we receive a tax invoice that has an ABN. Those cleaners are effectively all contractors. We do not go beyond the invoices. The members are paying these people as contractors. We do not have any idea about the effective contract rate at which members are paying them. They have got ABNs. Therefore, from our point of view if the ABN is given, they are a contractor and it is a matter for the tax department.

**Mrs MILLER:** The parliament should be obviously a model employer, which means that you pay award wages et cetera, but there is no mechanism for you to ensure that this is the case. That is basically what you are saying.

**Mr Laurie:** The contract is a contract between the member and the cleaner evidenced by the invoice and we then pay the invoice. We do not go beyond the invoice.

**Mrs MILLER:** It is possible that some MPs are not paying the award wages to cleaners, because you do not check up on them?

**Mr Laurie:** They are contractors. No, we do not audit contractual relationships in that way. What we would look at is whether or not there is an invoice with an ABN.

**Mrs MILLER:** Anyone can get an ABN.

**Mr Laurie:** Yes. They are our rules. We do not try to overly go into too much in relation to the members' allowances. We are there to make sure they are acquitted properly. The relationship between the cleaners and the member is a matter for the member and the cleaner.

**Mr PEGG:** My question is to the Speaker. I refer to page 2 of the SDS, which refers to a change in the organisational structure of the Parliamentary Service, and I ask: how was this new structure developed and how will the new structure provide enhanced opportunities for engaging directly with electorate staff?

**Mr SPEAKER:** Can you repeat the question again, please?

**Mr PEGG:** I refer to page 2 of the SDS, which refers to a change in the organisational structure of the Parliamentary Service, and I ask: how was this new structure developed and how will the new structure provide enhanced opportunities for engaging directly with electorate staff?

**Mr SPEAKER:** The new structure has been designed to allow us to meet a number of challenges over the coming years: an increasingly active committee system and implications for members and support staff; increasing challenges associated with managing information, access and associated technologies and the rising communication expectations, fuelled in part by increasing levels of engagement, that members provide rapid response to constituents on all matters; the growing



importance of security and impact upon accommodation; the increasing maintenance required on ageing precinct buildings, which you have heard about already this morning; and also the expected impact of the changing use of areas surrounding the precinct.

There have been three key events in recent times that have brought our organisational structure into focus. One has been the Property Services review, which was undertaken during the 2015 year. Another has been a review of our strategic plan. Another has been a recent staff survey. All of this information has resulted in changes to our organisational structure. We believe it is very timely that we have made these changes.

**CHAIR:** Could the Speaker please outline the parliamentary friendship initiative in relation to the placing of native bees in the parliamentary precinct.

**Mr SPEAKER:** This is part of a great partnership that our parliament has with our universities and tertiary education facilities. Immediately after our hearing this morning I will be signing a memorandum of understanding between the Queensland parliament, the Queensland University of Technology, our immediate neighbour, and Dr Tim Heard of Sugarbag Bees, which will further the research work that our Queensland University of Technology is undertaking in relation to native stingless bees in Queensland. Through this partnership our parliament will be custodians of two native beehives. Queensland University of Technology staff and PhD students will have access to these hives, which will be placed in our parliamentary grounds.

I hope that the beehives will serve two main purposes: the first is to assist with current research into bees; secondly, to be a constant reminder for us to consider what impacts our decisions will have on our environment. The state of our environment is important to me, and I hope that the presence of native bees in the parliamentary gardens will become a symbol to inspire others to always consider the potential impact of their decisions on our environment. The native bees will remain in our parliamentary grounds as long as I am Speaker. This project is another opportunity for our parliament to invest in student learning and will continue our great collaborative relationship with our state's educational institutions.

**Mr STEVENS:** Some would say there are a lot of bees in parliament already.

**Mr SPEAKER:** This is focusing the bees on the importance of our environment.

**Mrs MILLER:** Mr Speaker and Mr Clerk, you mentioned before that you were undertaking a review of electorate officer and assistant electorate officer positions with the Together Union, and I think that is very, very important. I am aware that some electorate officers or assistant electorate officers are undertaking cleaning services within the electorate offices, and I know that that is point of discontent. What I am asking is whether or not that breaches the current awards in relation to electorate officer duties. I also understand that electorate officers have been told specifically by HRM that they are not to undertake cleaning services.

**Mr SPEAKER:** I am happy to refer your question to the Clerk. I suggest that, if this is an important matter to the member and other members, I am more than happy to have it discussed at our Committee of the Legislative Assembly meeting where the leadership team can discuss it further. Mr Clerk, is there anything you would like to add?

**Mr Laurie:** One of the reasons for the review of the position descriptions is to set out very clearly what the roles of electorate office staff are and are not. Oftentimes when we receive submissions from electorate officers, for example, about their conditions of service, they raise the sorts of duties that they are doing which are not contemplated by the position. Some of those duties are not necessarily cleaning duties, but duties over and above. One of the things that will come out of this process is that we clearly delineate what are and what are not part of the duties.

**Mrs MILLER:** Have electorate officers or assistant electorate officers advised that they are undertaking cleaning services, which is outside the present role of the position descriptions that are currently available?

**Mr Laurie:** Not in recent times to my recollection. That is not the sort of issue that is raised with us, no.

**Mrs MILLER:** Mr Speaker, can I assure you that I have written to the Remuneration Tribunal in relation to the paltry amount of \$1,500 in relation to cleaning services, because it is my view that that is nowhere near the amount required for electorate officers.

**Mr Laurie:** Member for Bundamba, I suggest that you write to Mr Speaker as chair of the CLA on that issue, because it was the Committee of the Legislative Assembly that established and set the cleaning sum. If you are dissatisfied with that sum, the CLA is actually the proper forum. I would suggest to you that the Remuneration Tribunal may or may not—but may—refer it back to the CLA, so it may be best—

**Mrs MILLER:** The Remuneration Tribunal has already written back to me and said that the sum of \$1,500 stands, as I understand it. You simply cannot pay award wages of \$24 an hour or thereabouts for \$1,500—

**Mr Laurie:** I do not wish to discuss the merits of the issue but, Mr Chair, it is the wrong forum.

**Mrs MILLER:** Yes, I understand that.

**Mr Laurie:** If you have a problem with it, direct it to the Committee of the Legislative Assembly through the Speaker.

**Mrs MILLER:** Could I ask the Speaker to please take that on notice.

**Mr SPEAKER:** Thank you, member for Bundamba. I can assure you that as a result of your submissions this matter will be put on the agenda for the next Committee of the Legislative Assembly meeting.

**Mr STEVENS:** With reference to Parliamentary Service salaries, has there been any budgetary allowance for this upcoming forward year for a change in sitting hours in the parliament to what is termed in other parliaments 'family friendly' sitting hours?

**Mr SPEAKER:** The Clerk is very keen to answer this question.

**Mr Laurie:** No. I am forever hopeful but always sceptical.

**Mr STEVENS:** This question is to the Clerk again. You mentioned the progress of the identification of the new operations managers for the four different particular areas. As far as I am aware you have Katherine Brennan and 'to be advised'. Who are the other two?

**Mr Laurie:** The existing directors, Michael Hickey and the Deputy Clerk, are still directors. Katherine Brennan is a director. We are in the process of recruiting one additional director for the Property Services area, the facilities management group.

**Mr NICHOLLS:** The SDS refers to a comprehensive review of electorate office security conducted in 2015-16. Can you advise us of the outcome of that comprehensive review and whether there are any actions contemplated as a result of it.

**Mr SPEAKER:** I will refer this question to the Director of Corporate and Electorate Services. In the next few months I anticipate receiving a final report, and we will certainly discuss the matter at the appropriate Committee of the Legislative Assembly meeting. Mr Hickey, would you like to advise us further, please.

**Mr Hickey:** The Electorate Office Security Working Group was first established after a security incident in 2007 in the Cairns office. It was thought that in recent times it may be appropriate to once again reconstitute that group to look at electorate office security. There have been a number of security instances in recent times that have caused management to have concerns about security. Given all of the changes that were brought in the last time, it was considered worthwhile to reconstitute the group.

The work of the group is largely the same as was undertaken last time. There are individual site visits going on in every electorate office. Paul Boreland is visiting each electorate office and doing a site visit along with a police officer. There has been an overall threat assessment conducted by the police service as well. I think that we have visited 70 sites at the moment, so we anticipate over the next month or two we should finish off all the site visits. There have been a number of issues raised already. Some members have views on CCTVs, for example. There have been other issues raised around physical security, things like bollards. We did have a very unfortunate incident out in the Mt Coot-tha electorate a year or so ago where a car went through the front window of an electorate office. It was quite a serious incident. Had the member been in that office they could have been seriously injured or possibly worse. We are looking at some of those things as well, so the physical security, as well as electronic security around CCTVs.

I think the most important thing is that we are taking on board the advice that we are getting from members and electorate staff. We are not sitting here directing what should happen. The nature of the incident that happened in the Cairns office was so serious that some serious decisions had to be made about physical security. I suspect this time it will be probably taking on board the learnings that we have made over the last seven years. Obviously there will be full consultation with the CLA. The report will go to the Speaker, who has indicated he will be taking it to the CLA.

**Mr NICHOLLS:** Continuing on with the theme of security, we have seen the addition of the bollards out the front here, the closure of the gates at certain times and the glass that was installed around the public viewing gallery in the Legislative Assembly. Do you have any details of actual security incidents that have occurred in the precinct; for example—obviously without imperilling operational matters—the detection of people going through turnstiles and events of concern in that respect? We have spent a lot of money on security, and I just wonder what in fact it has shown.

**Mr SPEAKER:** Mr Clerk, can you assist with the details?

**Mr Laurie:** In this financial year 2015-16 there were eight security incidents which were serious enough for QPS involvement.

**Mr NICHOLLS:** Is it possible to give some sense of what those incidents were?

**Mr Laurie:** I will just go through them and I will give a bit of a précis about them. In September last year there was a suspicious mail item received through Australia Post addressed to an office holder. A sand-like substance was found seeping from a letter, so that resulted in a HAZMAT response. The letter was examined and the 'all clear' was given. I do not think there was any malicious intent with that; it was just someone being a bit silly with what they had put into an envelope.

In September last year there were objects thrown onto the precinct near the flagpole by two persons. Police were already in attendance at that time. They were spoken to by police and they were told to take away the objects and dispose of them properly by the police.

In September last year—September must have been a bad year for this—there was damage to a riverside camera down near the car parks. There was footage of a member of the public entering there and pulling out the camera unit.

In October there was a male person observed at the annexe loading dock who was challenged and police were called.

In January of this year a vehicle entered the precinct and a male and female person exited the vehicle. Police were called as a result of their actions. I will not go into it. In April of this year—

**Mr NICHOLLS:** That sounds like the most interesting one that you should go into.

**Mr Laurie:** We may have to go in camera.

**Mr NICHOLLS:** Was it on camera?

**Mr Laurie:** I think we have now made it worse than it really was. In April of this year a member of the gallery disturbed the gallery—members may recall this—when someone dropped a hat from the gallery. That person unfortunately was in an area where they had close physical access to the gallery because they were in a disabled area.

In May we called the police because a visitor had locked a dog in their car in the parliamentary car park.

In May once again somebody went into the front of the old House, dropped a backpack and a small shoulder bag and then left and sprinted away. Police were called, obviously, because there was fear of a bomb threat.

They are the incidents where police were actually called. Obviously a lot of our time and effort in relation to security goes to the screening of people before they come in. We have a range of items that were taken off people. Not many of them are particularly serious, but they are anything from pocket knives to those sorts of implements and things of that nature as well.

**CHAIR:** The time allocated for consideration of the proposed expenditure for the areas of responsibility administered by the Speaker has now expired. On behalf of the committee, I thank the Speaker and parliamentary officers for their cooperation. The committee has concluded its examination of matters relating to the Speaker and related entities referred to it by the parliament. The committee will resume examination of the proposed expenditure for the areas of responsibility administered by the Premier at 10.15.

**Proceedings suspended from 10.01 am to 10.13 am**

## ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—PREMIER AND CABINET AND ART

### In Attendance

Hon. A Palaszczuk, Premier and Minister for the Arts

Mrs A McDonagh, Chief of Staff, Office of the Premier

#### **Department of the Premier and Cabinet**

Mr D Stewart, Director-General

Mr G Fraine, Deputy Director-General

#### **Public Service Commission**

Mr R Setter, Commission Chief Executive (Acting)

#### **Queensland Family and Child Commission**

Ms C Vardon, Principal Commissioner

#### **Queensland Audit Office**

Mr A Greaves, Auditor-General

#### **Queensland Museum**

Prof. S Miller, Chief Executive Officer



**CHAIR:** Good morning. I declare the Finance and Administration Committee's public hearing for the examination of the Appropriation Bill 2016 open. On behalf of the committee I welcome the Premier, departmental officers and members of the public. I am Peter Russo MP, the member for Sunnybank and chair of the committee. Joining me on the committee are Mr Ray Stevens MP, the deputy chair and member for Mermaid Beach; Mr Lachlan Millar MP, the member for Gregory; Mrs Jo-Ann Miller MP, the member for Bundamba; Mr Duncan Pegg MP, the member for Stretton; and Mr Pat Weir MP, the member for Condamine. The committee has also given leave for other members to participate in the hearing today and I welcome Mr Tim Nicholls MP, the Leader of the Opposition and shadow minister for arts and major events and the member for Clayfield.

The committee will now examine the Appropriation Bill 2016 and the estimates for the areas of responsibility administered by the Premier and Minister for the Arts. The committee will consider the estimates for the portfolio until 1.30. The committee will suspend proceedings for a short break at 11.45 am, returning at 12. The proceedings today are lawful proceedings and subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208. In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing in accordance with the media broadcasting rules. The committee's hearing is being broadcast live via the Parliamentary Service's website and to receivers throughout the parliamentary precinct. Before we begin I ask that all mobile phones be either switched off or turned to silent mode and remind you that no calls are to be taken inside the hearing room.

I now declare the proposed expenditure for the areas of responsibility administered by the Premier open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Premier, the committee has resolved that you may make an opening statement of no more than five minutes. Do you wish to do so?

**Ms PALASZCZUK:** Yes, thank you. Thank you, Mr Chair and members of the committee, for the opportunity to talk about my government's second budget today. The budget has been framed in difficult times but with an eye to the future. Slumping commodity prices and a crippling drought mean economic conditions in regional Queensland are vastly different to those in the south-east. That is why this budget, our back-to-work budget, is so heavily focused on regional Queensland. It is unashamedly about job creation and was framed through consultation with Queenslanders.

In the lead-up to the budget my Working Queensland Cabinet Committee visited eight towns across the state. A key outcome of that consultation is the \$100 million Back to Work program which will create 8,000 jobs in the regions. I have already travelled to Townsville, Bundaberg and Cairns to urge employers to make the most of this support and the response has been overwhelming. There is already significant interest in this program. There have already been over 7,500 website visitors seeking more information about the program and I would expect plenty of formal interest once submissions open formally on 29 July. Of course last week we saw the latest unemployment figures and, while the result was part of increases in unemployment nationally, we know that rate remains stubbornly high. I am certainly not going to slash employment programs like the former government did.

Along with our Back to Work program and the well-known and highly effective Skilling Queenslanders for Work program, today I can announce that the Treasurer is doubling the payroll tax rebate for apprentices and trainees from 25 per cent to 50 per cent. This means that a business will receive \$500 to \$1,000 a year for each apprentice and trainee hired up from \$250 to \$500 under the 25 per cent rebate. The increase in the payroll tax rebate will take immediate effect via an administrative arrangement. On top of that, our \$40 billion capital works program will create 31,000 jobs. It includes a \$2 billion State Infrastructure Fund for urgent priority projects across Queensland and a \$175 million boost to our Building Our Regions program. The first State Infrastructure Plan in more than three years has been delivered and now in this budget we are starting to reverse a decline of infrastructure investment. We continue to represent Queensland's best interests when it comes to achieving more federal investment in infrastructure. It is time for the Prime Minister to urgently address Queensland infrastructure priorities like Cross River Rail and the M1 and those in Northern Australia, where a \$5 billion federal funding facility remains unallocated.

This budget proudly continues the task of restoring the front-line services cut by the member for Clayfield when he was Treasurer. The latest Public Service Commission data for March 2016 shows that 91 per cent or 190,797 of full-time equivalent Queensland government workers are employed in the front line or front-line support positions. Almost 90 per cent of the increase of 4,058 FTEs in the March quarter was in Health and Education, including TAFE. It includes an additional 2,229 full-time equivalent staff in Health, 1,219 in Education, including over 1,000 teachers, and 48 new police recruits among many other front-line staff. I seek leave of the committee to table the report.

**CHAIR:** Is leave granted? Leave is granted.

**Ms PALASZCZUK:** If anyone wants to pretend that more front-line service personnel are a waste of money, they should say which teachers, which health workers, which police officers should be sacked and from what regions. In contrast, I and my government will stand up for front-line service workers across this state every day of the week.

Something I am also very proud of is the way my government is driving the innovation agenda in this state. Our \$405 million Advance Queensland investment looks at opportunities in tourism, education, agriculture, mining and many other sectors. This budget also delivers on the needs of families, with record funding for Health and Education, and it includes almost \$200 million over five years on the government's response to the *Not now, not ever* domestic violence task force report. This budget does more than any other for the Arts sector, of which I am proud to be the minister responsible. From blockbusters at GOMA to regional arts activities to securing more film and TV productions or investing in infrastructure like the Cairns Performing Arts Centre, we are investing in Arts like never before.

Queenslanders elected my government to stop asset sales and to restore front-line services. We were elected to boost infrastructure investment and focus on job creation. It is a back-to-work budget where every major initiative is geared at getting Queenslanders back to work or geared up for the jobs of the future.

**CHAIR:** I hand over to the member for Clayfield.

**Mr NICHOLLS:** Thank you, Mr Chairman. I do note with some interest that we have just had the March quarter reports tabled here. It has not been available and it certainly seems an article in the *Brisbane Times* this morning has done its job in terms of producing this document.

**Ms PALASZCZUK:** It was always planned.

**Mr NICHOLLS:** I start off with some questions to the Premier in relation to the Public Service and the reports and also her statements in relation to the improvements that she claims in delivery of services. Premier, I refer to the fact that the Public Service Commissioner sits under your department and we note that growth in the Public Service under Labor was underestimated in 2015-16. It was

actually underestimated by some 4,000 FTE positions. Premier, when you were last asked about the benefits to taxpayers of all these thousands of additional public servants the only measure you could mention was, 'The evidence is the families of Queensland. That's the evidence.' Given these thousands of additional public servants include 25 additional Child Safety FTEs, Premier, why is it at the same time performance data shows response times to investigate suspect abuse in Child Safety is getting worse, with only 22 per cent of investigations requiring action within 10 days actually starting on time?

**Ms PALASZCZUK:** I thank the Leader of the Opposition for the question. There were about six questions contained in that, so I will work my way progressively through some of them.

**Mr NICHOLLS:** There is one question which is in fact given—

**Ms PALASZCZUK:** No. You asked about the growth, so I want to address that first of all.

**Mr NICHOLLS:** No, I have not asked a question about that. I have given you some statements about it. My question to you is: why is it at the same time performance data shows response times to investigate suspect abuse in Child Safety is getting worse, with only 22 per cent of investigations requiring action within 10 days starting on time?

**Ms PALASZCZUK:** For a start let me say that child safety is a very important issue for this government and it was an important issue for the former government as well in setting up the inquiry, of which my government continues to implement those recommendations, and we are continuing to see an increase in the number of staff in relation to Child Safety. The Leader of the Opposition, who was the former treasurer, would be well aware that staff were cut by you as the treasurer at the time.

**Mr NICHOLLS:** Premier, what we are asking is what are you doing about it, because the numbers are going down?

**Ms PALASZCZUK:** You were talking about cuts. I am restoring front-line services and you cut front-line services.

**Mr NICHOLLS:** You are making claims; I am referring to facts and reports from your own department.

**Ms PALASZCZUK:** You are talking about a report that covered a period of 2014-15 where eight months of that was under your former government, not necessarily the full complement of my government. Let me make it very clear: I believe that Child Safety issues go beyond politics.

**Mr NICHOLLS:** The fact is I am referring to the 2015-16 report that is published on the website of the child commission—the 2015-16 report, not the 2014-15 report.

**Ms PALASZCZUK:** The 2015-16 report is the RoGS report that captures data from your term in office, so you should be very clear on that.

**Mr NICHOLLS:** I am being abundantly clear on the failure to report within the time frames, the 22 per cent that are only being investigated within the time frames.

**Ms PALASZCZUK:** Here we are, so let us make it very clear: the majority of the data in the 2016 RoGS relates to the 2014 financial year or earlier years that reflects the policy outcomes of the Newman government and it shows that there is significant room for improvement in a number of key areas. We are very clear that this report relates back to the 2014-15 financial year of which you were the treasurer that cut the services.

**Mr NICHOLLS:** As we are not going to get an answer to that question, Premier, let us move on to the next one. Again, when you were asked about the benefits to taxpayers of thousands of additional public servants and your only measure was, 'The evidence is the families of Queensland. That's the evidence'—

**Ms PALASZCZUK:** No, there is lots of evidence.

**Mr NICHOLLS:** Given there was an increase of 4,673 FTE positions by the department of education from 2014-15 to 2015-16, can the Premier explain why during the same period student learning targets were missed in 14 of the 24 reporting categories?

**Ms PALASZCZUK:** Some of the NAPLAN results have actually been increasing. Since NAPLAN testing began in 2008, Queensland schools have demonstrated the greatest improvement of any state and territory. In 2015 Queensland recorded improvements in 16 of the 20 testing areas compared to the previous year's results. The Queensland government has committed \$6.7 million in 2016-17 to support online national assessment platform costs as part of transitioning to online NAPLAN assessments for all Queensland students and we remain committed to continuing to further improving Queensland's NAPLAN results. As Minister Kate Jones and I also revealed, the year 3 and 5

performance was the highest state in many years. It is very clear that our teachers are doing a very good job in our schools throughout Queensland. I have made it very clear that, no matter where you live in this state, every child should have the same access to good, quality education. Whether you are a child living in Clayfield or a child living in my electorate of Inala or a child living in Aurukun or a child out in Longreach, you should be able as a family to have confidence that your child is getting good, quality education. That is why, as we stated today, with the start of the new year there are more teachers now on the front line in this state—more teachers. What is your record? You cut front-line services. I am restoring front-line services. There is no clearer or starker difference to a Labor government that is focused on restoration and an LNP government that just cut, cut and cut.

**Mr NICHOLLS:** Premier, in fact we of course put on 700-plus more teachers and teacher aides in our final year in government, so I just correct the record.

**Ms PALASZCZUK:** Do you want to go back to the 14,000 you cut in your first budget? We can go through that.

**Mr NICHOLLS:** I will correct that for you. Let me take you back again.

**Ms PALASZCZUK:** Talk about the 14,000 you cut.

**Mr NICHOLLS:** Let me take you back again in relation to the outcomes. These are the outcomes that are measured by your own service delivery standard for the department of education. Notwithstanding the increase of positions, can you explain why during the same period the learning targets were missed in 14 of the 24 reporting categories that your government reports on in its own SDS?

**Ms PALASZCZUK:** We will have to go to the Minister for Education to have a look at those reports. I will come back to you after the break on that.

**Mr NICHOLLS:** Let me go back again to the question I asked previously in relation to Child Safety and the Child Safety FTEs and your answer when you referred to the RoGS data, the Report on Government Services data, that is issued every year. Can I clarify for you that, in fact, the data I was referring was the December quarter data, not the ROGS data.

**Ms PALASZCZUK:** That is different.

**Mr NICHOLLS:** Which shows you—

**Ms PALASZCZUK:** You need to be clear in your statements.

**Mr NICHOLLS:** That shows that there were only 22 per cent of investigations requiring action within 10 days starting on time and whether you continue to maintain your answer in respect of that.

**Ms PALASZCZUK:** As I said, child safety is a very important issue. Under my government, we have been employing additional front-line staff. An additional 21 front-line staff were employed in 2015-16 and in 2016-17 we added an additional 17 staff, but we also know that, under the government in which you were a key decision-maker, you cut a permanent reduction—

**Mr NICHOLLS:** Premier, I guess—

**Ms PALASZCZUK:** A fiscal repair—

**Mr NICHOLLS:** I guess—

**Ms PALASZCZUK:** This is very important—a fiscal repair—

**CHAIR:** Order!

**Mr PEGG:** Point of order, Mr Chair. The Leader of the Opposition is continually interrupting the Premier when she is answering questions. This is not a debate and the Premier should be afforded the opportunity to answer the question.

**Ms PALASZCZUK:** Thank you.

**Mr NICHOLLS:** Premier—

**Ms PALASZCZUK:** No, I am answering the question. In contrast—

**Mr NICHOLLS:** If the Premier were to answer the question that was asked of her rather than debate the issue—

**Ms PALASZCZUK:** We need a bit of a history lesson, because when you look at where we got to—

**Mr NICHOLLS:** The issue is a question of the examination of the estimates.

**CHAIR:** Order, please.

**Ms PALASZCZUK:** As part of your fiscal repair in 2012-13, you reduced 225 FTE staff in Child Safety Services.

**Mr NICHOLLS:** Mr Chair, are you going to make a ruling or are you going to allow the Premier to continue to avoid the answer?

**CHAIR:** Order! The minister is allowed to answer the question in any way that—

**Mr NICHOLLS:** And equally, I am entitled to ask the question and to present the question. This is the opportunity to ask the Premier questions of policy in relation to expenditure.

**CHAIR:** I have made my order.

**Mr NICHOLLS:** But in relation to expenditure, Mr Chairman, of the department and the review of the estimates of the department; it is not in relation to anything else.

**CHAIR:** I ask you to please stop interrupting and I call on the Premier.

**Mr NICHOLLS:** Mr Chairman, are we running a protection racket here or are we seeking to get to the truth of the numbers that are provided in the SDS?

**CHAIR:** Order! I will allow the minister to answer the question.

**Ms PALASZCZUK:** The Premier.

**CHAIR:** Sorry—the Premier to answer the question.

**Ms PALASZCZUK:** Thank you. As I said, we are talking about restoring front-line services. I have talked about how my government is committed to putting on extra Child Safety officers to deal with these important issues. However, we need to go back to 2012-13 when we saw a permanent reduction, under the member for Clayfield when he was treasurer, of 225 full-time equivalents in Child Safety Services alone.

**Mr NICHOLLS:** Mr Chairman—

**Ms PALASZCZUK:** Two hundred and twenty-five.

**Mr NICHOLLS:** Mr Chairman, I am not in a position to answer those allegations. The Premier is trying to answer a question in relation to the failure of this government's performance in the December quarter. It has nothing to do with 2013-14.

**CHAIR:** I call to order. I would please ask you to allow the Premier to answer the question.

**Mr NICHOLLS:** Mr Chairman, in the circumstances where the Premier is debating the question, it is only appropriate that I can ask that she return to the question, which is why the government is failing to meet its own standards.

**Ms PALASZCZUK:** I can advise the committee that the December 2015 commencement rate for 10-day matters was 22.1 per cent and, as at 30 June 2013, it was 22.8 per cent. So it is actually coming down.

**Mr NICHOLLS:** If I can then just say that, despite all of those additional people who are being put on, the rate is not—

**Ms PALASZCZUK:** After you cut—

**Mr NICHOLLS:**—is not substantially improving after three years of those changes that you claim were made to front-line services.

**Ms PALASZCZUK:** I think you are missing the point here. You cut 225 full-time equivalents

**Mr NICHOLLS:** No, I understand the point.

**Ms PALASZCZUK:** In Child Safety Services.

**Mr NICHOLLS:** I understand the point quite clearly.

**CHAIR:** Order! Can I ask the member for Clayfield to please allow the Premier to answer the question and to stop interrupting her, please?

**Mr NICHOLLS:** Perhaps I might go on to the next question.

**CHAIR:** No, I call the Premier to answer the question.

**Ms PALASZCZUK:** As I said very clearly, my government is addressing, obviously, the results of the drastic cuts that we saw under the former Leader of the Opposition when he was treasurer to Child Safety. When you are talking about front-line services, how could anyone in their right mind, as a



government of the day, take an axe to the most vulnerable people in our community? How could they cut 225 full-time equivalents—people who are there charged with the responsibility of monitoring and looking after the most vulnerable young people in our state?

**Mr STEVENS:** Point of order, Mr Chairman.

**CHAIR:** What is your point?

**Mr STEVENS:** The question, quite clearly, is in relation to the 2015-16 budget. In terms of the Premier's answer, she is going back to asking questions and make comments about 2013, which give no relevance whatsoever—

**Ms PALASZCZUK:** It is completely relevant, because I am having to fix up the damage that you and your government caused to this state.

**CHAIR:** Could we move on to the next question, please?

**Mr NICHOLLS:** Yes, certainly. Premier, can you tell us the increase in the number of FTEs from March 2015 to March 2016?

**Ms PALASZCZUK:** As I have said, we have just released the March quarter.

**Mr NICHOLLS:** Let me help you, Premier.

**Ms PALASZCZUK:** No, we are getting there and then we will go back to what you did. We will do a contrast. I am very happy to do that and I think it is important for this estimates committee to be very clear about we are doing.

**Mr NICHOLLS:** I just wondered if you knew how much bigger it was.

**CHAIR:** Member for Clayfield, could you please allow the Premier to answer the question.

**Ms PALASZCZUK:** Yes, from December 2015 to March 2016, as I have just tabled, it was 4,058 additional staff, of which 90 per cent are front line. Let us contrast that to your first budget—

**Mr NICHOLLS:** Sorry, Premier. My question was between March 2015 and March 2016. Can you tell us the total increase for the 12 months? I will give you the answer: it is 8,917.

**Ms PALASZCZUK:** Of which the majority are front-line services, in contrast to your first budget where you axed 10,600 staff—and I am quite happy to table this document; I am quite happy to go through it—which included cuts of 4,140 Health jobs. You cut 1,425 jobs from Housing and Public Works. In Community Safety, you cut 345 positions. I can go on. In Natural Resources and Mines, you cut. Communities, Child Safety and Disability Services, you cut 385. That was your first budget—your first budget.

**Mr NICHOLLS:** Thanks, Premier. You had plenty of time to ask those questions three years ago.

**Ms PALASZCZUK:** And I did, but you may recall back then you refused to answer a lot of those questions.

**CHAIR:** Can we have some order, please? Can you go on to your next question?

**Mr NICHOLLS:** Thanks, Mr Chair. Premier, when you were last asked about the benefits to taxpayers of the now 8,000 additional public servants, the only measure that you could mention was, 'The evidence is the families of Queensland, that's the evidence.' I ask: given that there were 83 additional Department of Transport and Main Roads FTEs employed over the last year, can the Premier explain why over the same period the percentage of call centre calls answered within three minutes was 62 per cent when the target is 80 per cent?

**Ms PALASZCZUK:** Yes. Not all of those staff would have been in the call centre, for a start. Some of the new staff we are putting on are school crossing supervisors and RoadTek staff to build the infrastructure that we need.

**Mr NICHOLLS:** Premier, previously, when you were asked about the benefits to taxpayers of the 8,000 additional public servants you mentioned, 'The evidence is the families of Queensland, that's the evidence.' There were 58 additional staff employed in the last year at the Queensland Building and Construction Commission. Can the Premier explain why, on page 33 of the SDS, the percentage of insurance claims for defective work—that is defective work—

**Ms PALASZCZUK:** Which is not in my SDS. Which SDS you are referring to?

**Mr NICHOLLS:** Within the departmental SDS. The defective work assessed and response provided within 35 business days—

**Ms PALASZCZUK:** Sorry, which SDS are you referring to? Can I just clarify that, chair?

**Mr NICHOLLS:** That is the SDS in relation to the Department of Housing and Public Works.

**Ms PALASZCZUK:** Okay. That is not examining my SDS. That is another SDS.

**Mr NICHOLLS:** Let me refer to the fact that the Public Service sits under your area.

**Ms PALASZCZUK:** Yes, correct.

**Mr NICHOLLS:** I referred to the growth in the Public Service on page 109 of Budget Paper No. 2. I am simply pointing out to you that, notwithstanding the very substantial increase in staff, the response time is just 39 per cent of responses being answered despite the target being 90 per cent.

**CHAIR:** Premier, first of all, could you confirm whether or not—

**Ms PALASZCZUK:** That is not in my SDS.

**CHAIR:** Then I rule the question out of order. Would the member like to—

**Mr NICHOLLS:** Mr Chair, the Premier is responsible and her department is responsible for the Public Service. The size of the Public Service is controlled—

**Ms PALASZCZUK:** And I am happy to talk about the Public Service.

**Mr NICHOLLS:**—by the Premier. The Premier has made statements in relation to the benefits to Queensland of the additional public servants. She was pleased to make statements in relation to Child Safety.

**CHAIR:** Member for Clayfield, I understand that the particular question does not relate to an SDS under the Premier's—

**Mr NICHOLLS:** And, Mr Chair—

**Ms PALASZCZUK:** If I can just address some part of the question?

**Mr NICHOLLS:** Mr Chair, in recent years it has been the practice—

**CHAIR:** Can you allow the Premier to please answer the question.

**Mr NICHOLLS:** I have not finished the question yet. Are you ruling the question in or out and is the Premier entitled to answer it?

**CHAIR:** Ask the question and then I can consider it.

**Mr NICHOLLS:** Okay. Let us do that again. Premier, when you were last asked about the benefits to taxpayers of thousands of additional public servants the only measure you could mention was, 'The evidence is the families of Queensland. That's the evidence.' I ask: given that there were 58 additional staff employed in the last year at the Queensland Building and Construction Commission, can the Premier explain why the percentage of insurance claims for defective work assessed and the response provided within 35 business days by the Building and Construction Commission was just 39 per cent despite the target being 90 per cent? So, additional staff, but less resolution of claims within the time frames.

**Ms PALASZCZUK:** I thank the member for the question. I am more than happy to get some detail. It is not contained in my SDS. However, I am happy to find out some more detail, but I want to make a couple of statements, if I can, about this whole proposition that employing front-line staff is wrong. Queensland is a huge state. It is a—

**Mr NICHOLLS:** Mr Chairman—

**Ms PALASZCZUK:** No—

**Mr NICHOLLS:** We have limited time—

**CHAIR:** Will you allow the Premier to answer.

**Ms PALASZCZUK:** I am allowed to answer the question.

**Mr NICHOLLS:** We have limited time; there is no question about that. My question was in relation to that, so I am happy to move on.

**Ms PALASZCZUK:** I am addressing your question.

**Mr NICHOLLS:** I am happy to move on, Mr Chairman.

**Ms PALASZCZUK:** No, I am happy to address your question. Queensland is a decentralised state. We have some 169 hospitals and my recollection is around 1,400 state schools—1,300 state schools—across the state. No matter where you live in this state, families expect good-quality services, whether it is in health, whether it is education, whether it is transport, whether it is building the Queensland that we need to cater for the people who live in such a decentralised state. The member for Gregory would know. I have been out to his electorate. I have visited—

**Mr NICHOLLS:** Mr Chair, we have a limited amount of time to ask questions.

**Ms PALASZCZUK:** I am allowed to answer the question.

**Mr NICHOLLS:** If we are after an explanation—

**Ms PALASZCZUK:** They do not want to hear the answer.

**CHAIR:** The Premier is allowed to answer the question.

**Ms PALASZCZUK:** Thank you.

**Mr NICHOLLS:** The question has not been answered, which was why is the target not being met.

**Ms PALASZCZUK:** I am setting the scene. What you have is people and families living the length and breadth of this state. From the Torres Strait, out to the west, we have sat in kitchens and spoken to families in your electorate. What people expect is a government to deliver services to them. A government is based on delivering services. In fact, a government is measured at election time on how services are delivered. What I said very clearly during the last election campaign is that my government would restore front-line services and that is exactly what we are doing. We have released the quarterly report today that clearly shows that I am meeting that election commitment. Over 90 per cent are front-line services. Why are we doing that? Because the people of Queensland expect it.

We look now at some of the issues that we have in regional Queensland—a direct result of some of the members sitting on the committee who cut services and cut staff to those communities. When you talk about staff, you are talking about people and you are talking about families and families deserve the best that a government can give them. That is what you failed to understand when you were last in government. We have heard the message from families. Yes, clearly, one measure is what the families of Queensland expect of their government and what my government is delivering, but there are other measures. Those measures include how we are going in our NAPLAN, how are our waiting lists going in Health, are we providing the services that communities need? I will stand by my record in government restoring front-line services. The Leader of the Opposition has a lot to answer for when he was Treasurer of this state and cut too hard and cut too fast.

**CHAIR:** Thank you, Premier. If I could move to the government members now and ask the member for Stretton to ask his first question.

**Mr PEGG:** Thank you, Mr Chair. My question is to you, Premier, and good morning. I refer to page 4 of the Department of Premier and Cabinet SDS and the role of DPC in developing policy for jobs and economic growth and ask: how is the returned Skilling Queenslanders for Work initiative assisting Queenslanders?

**Ms PALASZCZUK:** Thank you very much. Once again the member for Stretton would understand how important the Skilling Queenslanders for Work program is, not just for people in his electorate, but right across the state. As I said very clearly, we are investing \$240 million over four years to support up to 32,000 Queenslanders. In the 2015-16 financial year \$57 million was approved under the Skilling Queenslanders for Work program. Our \$57 million investment gave some 14,057 Queenslanders access to training through 384 community driven projects. Early indicators are encouraging: 43 per cent of those who are exiting the program are securing ongoing employment and 54 per cent are either in employment, training or a combination of both. These are figures from 30 June. I am advised the employment rate is expected to increase as providers progressively report outcomes until one month after a program completes.

The other indicator we have of the very success of this program is an independent report from Deloitte. That report, of course, was released shortly after this program was axed, when the Leader of the Opposition was Treasurer under the former Nicholls-Newman government. The independent report showed that for every dollar invested in Skilling Queenslanders for Work the flow-on effect was a benefit to the Queensland economy of almost \$8.

Today I can announce round 1 funding for 2016-17 will include \$33.3 million in community-led initiatives. This will help over 7,500 Queenslanders across 192 projects. These are programs that will be delivered across the length and breadth of Queensland. In the electorate of Sunnybank we are investing \$204,000 to assist 121 people with qualifications in training and community services. In the electorate of Gregory we are investing \$86,400 to assist 36 jobseekers with qualifications in community services. In the electorate of Condamine we are investing \$206,800 to assist 10 people with business qualifications and across the Gold Coast we are investing \$2.2 million to assist more than 700 Queenslanders.

Since we reintroduced this program I have had many chances to meet with people who are benefiting from this program. When I was out in Maryborough recently with the local member Bruce Saunders in early May, I met personally with a group of participants. One young woman who I met was Mandy. She said if it was not for this program she would still be at home with no chance of a job. I also met another young man called Blake and he was given the opportunity to get the skills he needed and had lined up two job interviews. I am pleased to report to the committee that the member for Maryborough has informed me that Blake is now employed in forestry and other participants have now gone on to gain full-time work in IT and labouring. As we can see, this is a great program. It is one that is focused on training and skills and getting people into employment. It should never have been cut by the former government. We have restored it and it is working.

**CHAIR:** I refer to page 4 of the SDS and the DPC focus on integrity and accountability. Can the Premier update the House on her commitment to introduce real-time donation declarations?

**Ms PALASZCZUK:** Thank you very much, Chair. As everybody knows, my government is focused on transparency. This stands in stark contrast to the previous government which raised political donation thresholds from \$1,000 to over \$12,000 during their time in office. This meant hundreds of donations totalling hundreds of thousands of dollars were made with the public not knowing who made these donations. In May 2015 we delivered on our election commitment to return the threshold to \$1,000 and I am very pleased that we have done that.

Members would also be aware that I made a commitment to the member for Nicklin to investigate the introduction of real-time donation disclosure laws for Queensland. The changes to the Electoral Act provide the legislative vehicle to enable real-time disclosure while the practical implementation of the regime was being planned. I am pleased to announce today that real-time donation disclosure rules will come into effect by the end of this year for both state and local levels of government. These new measures will add the extra layer of transparency we committed to during the 2015 election campaign. An implementation plan is currently being considered, but I envisage the electronic system will be in place by 1 January next year and will go live by the end of February 2017. It means that instead of waiting months to see who is donating to a political party, people will be able to see who is donating and how much they are donating before an election takes place. I believe that this is a fundamental tenet of accountability and integrity. It is something I fully believe in. It is something my government fully believes in. Cabinet endorsed this approach when we met on Monday. I believe that we bring local governments in line with state. It is real-time donations. I think we will be one of the first states in the nation to address this. We will be working closely with ECQ. Let us make it very clear: the public expects this, the public wants this, and it is my government that is delivering it—integrity and accountability in government.

**CHAIR:** Could I hand over to the member for Bundamba, please.

**Mr Stevens** interjected.

**Ms PALASZCZUK:** Everyone.

**Mrs MILLER:** My question is to the Premier. I am just going on in relation to integrity and accountability which you have just spoken about. As there have been royal commissions into the Bundaberg Hospital and Barrett Centre on health matters and now we see the disgraceful re-emergence of black lung in coalminers—with 11 cases diagnosed in coalminers, 17,000 X-rays still to be processed, a current underground workforce of 5,500 workers and 10,000 open-cut miners, plus many, many thousand retired miners—I ask sincerely as a coalminer's daughter and on behalf of the coal families across Queensland: will you please consider a royal commission into black lung in Queensland?

**Ms PALASZCZUK:** I thank the member very much for the question and I know how strong her commitment is to the workers in the coalmining industry and how strong my government's commitment is to the workers in the coalmines. What we have seen is the re-emergence of something that many of us thought we would never have to see again, which is the black lung disease. What I saw in the response very clearly last week was—really I think for the first time in Queensland we have actually seen—government, industry and unions working together as one to address a really important issue. My heartfelt sympathies, on behalf of the government and I believe all members, to those people who have been diagnosed with black lung. It would be a very traumatic time.

As we saw last week, the report has been released from Monash University. The report found substantial problems with the scheme and makes 18 recommendations to significantly change how the scheme operates to ensure protection of workers including retired mine workers. The report reviewed 257 long-term coal workers' X-rays and 18 miners were recommended to undergo extra tests. Our

government response addresses three key areas: firstly, to prevent new cases, including stricter dust management and publishing dust levels regularly; secondly, identifying existing cases through better screening and testing and better training of medical practitioners; and, thirdly, provide a safety net for workers with the disease, including retired miners, through a compensation safety net available via WorkCover Queensland or employers' insurance schemes. We have also urged any coalmine worker who has concerns about their health to talk to their general practitioner.

I would like to also thank Dr Anthony Lynham for his understanding of the complexity of this issue, the way he has dealt with it in a very deliberate and understanding method, and for working with the unions and the industry to address this very important issue. We will continue to monitor the three key issues that we will be focusing on in terms of our government response and we will be updating parliament on a regular basis. Once again I want to thank the member for raising such an important issue that is going to have a long-term impact on a number of miners.

**Mrs MILLER:** I would like to call Rob Setter, the chair of the Public Service Commission, please. I am continuing on integrity and accountability. Due to the re-emergence of black lung in Queensland, which I understand is the only jurisdiction in Australia where this has occurred, many coalminers have lost confidence in the mines department, particularly the Mines Inspectorate. Will the Public Service Commission consider launching an immediate internal Public Service investigation into the failure of the mines department and the Mines Inspectorate to administer the law of Queensland, particularly in relation to black lung?

**Mr Setter:** My authority under the legislation is to provide advice to the Premier on matters relating to workforce. If the Premier was of a mind to request that of the commission then certainly we would undertake that review.

**CHAIR:** I now go to the member for Stretton.

**Mr PEGG:** Thank you, Mr Chair. My question is for the Premier. I refer to page 4 of the Department of the Premier and Cabinet SDS and the department's focus on jobs and economic growth and ask: how does Queensland's economic growth compare with the other states and territories from 2015-16 to 2017-18?

**Ms PALASZCZUK:** Thank you very much. I thank the member for Stretton for the question. I am pleased to report that in comparison with our state counterparts, Queensland as a whole is travelling quite well. Our economic growth has improved from .8 per cent in 2014-15 to nation-leading growth of 3.5 per cent over the last financial year and is set to further strengthen to four per cent this financial year. In fact, Queensland's economy is forecast to grow faster than any other state or territory over the next two years. We often hear the Prime Minister boast about national economic growth figures. Every time he does this he is boasting about figures that are due to Queensland's contribution. When you have strong growth, business have the confidence to invest.

Much of our growth has been on the back of exports. However, there are encouraging signs domestically. Treasury are forecasting that economic growth will be supported by the domestic economy over the coming financial year. We are already seeing strong growth in investment, with the total value of residential building approvals in Queensland at nearly \$1.3 billion in May this year, up from \$1.1 billion a year ago. Just last week the Housing Industry Association highlighted that the level of new housing starts was the highest since 1994 in the March quarter of this year, with more than 13,000 homes starting construction in Queensland. We also know our tourism sector is booming. Our tourism expenditure in Queensland is up 4.7 per cent to more than \$58 billion over the year to March.

We know that all that growth does not directly lead to massive falls in the unemployment rate. While we are seeing positive signs for the economy, that there are 36,600 more jobs in Queensland than in January last year, we acknowledge that there is definitely more work to do. That is because, as I mentioned in my opening statement, Queensland's strong economic growth as a state is not a reflection on how our regional economies are travelling.

That is why I took the Working Queensland Cabinet Committee across the state. I might just add that that has never been done before by a government. As Premier, I thought it was very important in the formulation of our budget to take our Working Queensland Cabinet Committee across regional centres, to listen to what the members and the mayors had to say, to listen to the business community and to listen to the families in the formulation of our budget. I think there is nothing more important than sitting down, listening and understanding the needs of a community and then acting on that. That is why our budget gives a helping hand to businesses to hire more staff through our Back to Work program. It encourages job creation and economic activity through our infrastructure investment. It

promotes diversity, new markets and increased productivity through innovation. We cannot dictate global commodity prices and we cannot break the drought, but we can do everything possible to assist business and drive regional economies, because that means more jobs.

**CHAIR:** Premier, I refer to page 4 of the Department of the Premier and Cabinet SDS and the focus of the Department of Premier and Cabinet on policy development for infrastructure. Will the Premier outline what job-creating infrastructure projects have been committed to in this year's budget, building on the new infrastructure commitments in last year's budget?

**Ms PALASZCZUK:** I thank the chair for the question. Of course, my government knows how important infrastructure delivery is for Queensland, because when you are building things it generates jobs. We know how important that is with road projects out in the western parts of our state. Councils have spoken to me at length every time I have visited and spoken to them about how important it is to get the road projects underway, because that means that they can then create local jobs in the local communities. We also know that infrastructure stimulates local economies, whether through contracting local suppliers or even just having workers spending money locally in their communities.

In my government's first two budgets, we have delivered on that promise of focusing on delivering jobs and delivering our first state infrastructure plan for more than three years. We are delivering a better way for Queensland by paying down debt while committing to more than \$5.5 billion in brand-new infrastructure investments. I will run through some of those. We have \$2 billion for the State Infrastructure Fund, including an \$88 million increase in funding for the Ipswich Motorway from the Rocklea to Darra end. Anyone who has travelled along that road, as I have many times, will know that during peak hours it is a congestion hotspot. That has been matched by the federal government and construction will start very shortly. We have \$40 million for the Dawson Highway upgrade near Gladstone; \$100 million for the north coast rail line upgrades; \$30 million for Riverway Drive in Townsville; \$34 million for the Bill Fulton Bridge duplication; and \$375 million for Building our Regions projects, including a \$175 million boost this year. The member for Gregory would be aware of our \$40 million for the Western Roads Upgrade Program, which was very well received in the community. We have more than \$96 million for our northern Queensland road funding program; \$89 million for road safety; \$161 million for roads in preparation for the Commonwealth Games and the member for Mermaid Beach is very conscious of the activity happening on the Gold Coast; \$180 million for the Enhancing Regional Hospitals program and \$230 million for Advancing Queensland's Health Infrastructure Program.

I make it clear to the committee that, now that the Turnbull government has been sworn in, it is really important that they get that \$5 billion infrastructure fund for northern Australia out the door. It has been sitting there for quite some time. We have put down our list of priorities to the federal government. I do not think it is of any benefit to anyone if it is just sitting there, not being utilised. There is nothing more important than getting that money out the door. The next time I see the Prime Minister, whether it is at COAG or the next time he is in Queensland, I would be more than happy to discuss with him the importance of that.

I might add that it is important to invest in education. We have a \$395 million boost for the State School Asset Maintenance Program. That is also very good, because during the school holiday periods we have tradespeople going into the schools, doing the work. When I was out at Roma recently visiting one of the local schools there, they made that very clear to me. The tradesmen said, 'Basically, our business would have gone bust if we didn't have this work. You putting on that school maintenance program has meant that we will actually continue to gain employment and our business will continue to go.' That will continue to happen. Of course, with the new school at Calliope, it was great to meet the families with the local member recently for the announcement of that new school.

**CHAIR:** I hand over to the opposition.

**Mr NICHOLLS:** Thanks, Mr Chair. In relation to the Public Service, I note that this morning the Premier tabled the Queensland public sector quarterly workforce profile for March 2016. I also note that this morning at nine o'clock that report was not available on the website. Premier, is that report now available on the website for the Public Service Commission for other people to look at, as it was unavailable at nine o'clock this morning?

**Ms PALASZCZUK:** It has been tabled today, so it will be up today.

**Mr NICHOLLS:** So it is not up at the moment?

**Ms PALASZCZUK:** I have just tabled it.

**Mr NICHOLLS:** Premier, why has it taken so long for the report to be provided?

**CHAIR:** My understanding is that something tabled is not uploaded.

**Mr NICHOLLS:** I think we are referring to it being uploaded to the Public Service Commission website, not the website of the parliament.

**Ms PALASZCZUK:** It will be up today; we will get it up as soon as possible.

**Mr NICHOLLS:** Why was there a delay in producing it, given that there was a similar delay with the previous Queensland Public Service workforce statistics? Is that an endemic problem?

**Ms PALASZCZUK:** No, not at all. It has been released. I discussed it at cabinet yesterday and it was released today.

**Mr NICHOLLS:** Why is it taking such a long time to get the quarterly figure reports out, Premier?

**Ms PALASZCZUK:** I will get the director-general to answer, but I am advised by the director-general that the data has to be scrutinised to make sure it is accurate before we release it.

**Mr Stewart:** The Premier is right: one of the key things we need to do when the data comes in is to make sure it is accurate and to scrutinise it. You will see in the budget for the Public Service Commission this year, one of the things we are implementing is a new IT system in relation to workforce data. The Premier is right: we need to accurately confirm and validate the information at hand.

**Mr NICHOLLS:** Premier, since being elected, having replaced most of the directors-general through a merit-based selection process, why have you not shown the same commitment with your own Public Service Commissioner, Mr Setter, who, some 18 months into the job, is still in an acting position?

**Ms PALASZCZUK:** I will ask the director-general to answer. It will be advertised shortly. We have asked for some further work to be done on the Public Service Commission. I will ask the director-general to address that.

**Mr Stewart:** One of the things that the Premier certainly asks us to do is to look at the Public Service Commission as an organisation. As you know, there have been many iterations of the Public Service Commission over time. What we are doing at the moment is that we have asked Mr Kevin Yearbury, who is a very experienced public servant, to look at what a future public service organisation should look like. When Mr Yearbury finishes his review, we will make recommendations to the Premier and cabinet in relation to advertising that position.

**Ms PALASZCZUK:** I might add that under my government there has been a merit-based selection process for directors-general. That did not happen under the former government.

**Mr NICHOLLS:** Just not in the case of the Public Service Commission to date?

**Ms PALASZCZUK:** No, it will be advertised shortly, but we are doing the work first on the composition, as the director-general advised, of the Public Service Commission and how it looks into the future.

**Mr NICHOLLS:** With reference to the Public Service Commission and its production of the biennial state of the sector report, can you advise of the release date for the next state of the sector report, given that the last one was released in 2013?

**Ms PALASZCZUK:** I would add on the previous question that I also believe that Mr Setter acting in that role is doing a very good job. I want to make sure that the committee is aware that I have faith in the job that Mr Setter is doing.

**Mr NICHOLLS:** But you are not applying a merit-based selection process to him?

**Ms PALASZCZUK:** We will be. I said that before. I said it will be advertised after the review is done of what a modern contemporary public service commission looks like.

**Mr Stewart:** I know we are going back a question, but to add to that, the Public Service Commission still acts. There is a board in place, which I chair, with the Chief Executive of the Public Service Commission and also the Under Treasurer. That certainly is in place and it continues to meet regularly.

**Mr NICHOLLS:** But the process is—

**Mr Stewart:** The Premier is right: Once we—

**Mr NICHOLLS:** But it has not been done so far, has it?

**Mr Stewart:** Once we have determined what the strengths are and how the Public Service should look in the future—

**Mr NICHOLLS:** But it did not apply, for example, when you reshaped the cabinet? When you changed the number of ministers, you were able to go through a public service appointment process and, I am sure, a merit-based process to appoint DGs for the extra four or five cabinet members who were put on.

**Mr Stewart:** The DGs were all in place. From the increase in new ministers in the cabinet?

**Mr NICHOLLS:** Correct.

**Mr Stewart:** But those directors-general were in place. That recruitment process happened right at the beginning of the term. The department composition, on the whole, did not change. There were certainly some minor administrative changes, but the composition of the departments and the structures did not change.

**Mr NICHOLLS:** Okay. The biennial report: I am still waiting for an answer on that one. You have sufficiently delayed it. Find an answer.

**Ms PALASZCZUK:** I am advised that the most recent report, *Serving Queensland—state of the sector workforce report* will soon be available on the Public Service website. There are some details being finalised and it should be released in the very near future.

**Mr NICHOLLS:** Any time soon?

**Ms PALASZCZUK:** Very soon.

**Mr NICHOLLS:** This month or next month? A week's time? Two weeks time?

**Ms PALASZCZUK:** It will be up by the end of this month.

**Mr NICHOLLS:** Premier, surely it goes to cabinet? You have an advanced schedule of cabinet. You know what is coming ahead.

**CHAIR:** I believe the Premier has answered the question.

**Ms PALASZCZUK:** I am quite sure that my cabinet is very different to the cabinets that you attended.

**Mr NICHOLLS:** If you are talking about getting things done, you are right.

**CHAIR:** Can we move on to the next question, please?

**Ms PALASZCZUK:** We can talk about 1 William Street whenever you want to.

**Mr NICHOLLS:** I go to the Queensland Family and Child Commission. It might be appropriate in these circumstances for the commissioner to come forward. Is she available?

**Ms PALASZCZUK:** Yes, she is. While she is coming to the table, I very much thank the commissioner for the detailed work in the most recent report she submitted to me and considered by cabinet into the tragedy around Tiahleigh Palmer.

**Mr NICHOLLS:** Commissioner, on 10 November you received a written request from the Premier to undertake a review to ensure Child Safety, Education, Health and Police worked effectively and everything possible was done when concerns were first raised about Tiahleigh Palmer's disappearance. Has any such request for a similar review been received from the Premier or the Minister for Child Safety to conduct a similar review into the tragic death of Mason Jet Lee? If you have received such a request, are you willing to or are you undertaking that review? Finally, are you able to undertake such reviews of your own volition, without that request?

**Ms Vardon:** I would like to thank the Premier for her comments on the *When a child is missing* report and to remember that that was caused by the death of a little girl. Similarly, in terms of Mason Jet Lee, there are very sad circumstances there.

Yes, I can say that the Premier has asked me to conduct a review on the way systems communicated and worked together and the way individuals worked together around a speedy response to services and support for that little boy. There are a number of reviews underway around those circumstances. It is our job to step back and wait until those reviews are conducted, although perhaps looking at the terms of reference and so forth, and then to give an oversight review of what needs to be improved around systems responses.

**Mr NICHOLLS:** Thank you for your answer. If I understand you correctly, what you are saying is that there are now three reviews that have been initiated—one by the Minister for Health into the reporting and two by the Minister for Child Safety—and you are going to then review those three reviews and present a report or are you going to undertake your own review into the systems?



**Ms Vardon:** I have just written to the directors-general in the last couple of days saying that we are going to commence work on this particular review. Those reviews that you have mentioned have to be carried out. There have to be internal reviews. There has to be a review of the investigation for a start, which I am not able to speak about. There certainly has to be a review by the health department and a review by the communities department. They are internal reviews. They are carried out in any circumstances.

It is my job, as head of the commission responsible for oversight of the care provided to vulnerable children, to make sure that those reviews are on track, that they have considered all the circumstances that we would want considered as a children's commission for Queensland, that the outcomes are robust and that they use this particular tragedy as an instance to improve the circumstances for all children in Queensland.

**Mr NICHOLLS:** Just so I am clear—and I appreciate the sensitivities around the issue—the current reviews that have been announced by the Minister for Health and the Minister for Child Safety are the normal processes of the departments? They are the normal process? Are you in that sense seeking information and seeking to provide some direction for those reviews or are you seeking to then provide a report back to government separate from those reviews?

**Ms Vardon:** We will certainly be providing a report back to government separate from those reviews. This is quite a new review, I have to say, so we are in the process of developing the detail of how we are going to approach it. There will certainly be, following the request from the Premier, a report back to the Premier. Our oversight role is not to—and we cannot in fact; our legislation prevents this—conduct investigations into the circumstances around individual children. An instance like this tragedy can spark an oversight review of systems.

The reviews you have mentioned will be what happened around the circumstances of that little boy. Ours then comes in over the top of those reviews and says that the terms of reference had some gaps perhaps or were excellent, the reviews were conducted in terms of the legislation and that it showed, or perhaps it will not show—I do not know yet—whether the systems and agencies coordinated responses and spoke to one another.

We have that oversight responsibility as we did with the Tiahleigh Palmer report. We did not go into the particular circumstances of her very tragic death, but we certainly, at the request of the Premier, used that sad case as a basis, a foundation, for examining systems and agencies and the way they shared information. I am sure some of those issues will come out of this particular review as well.

**Mr NICHOLLS:** I note that your services include presenting evidence about whether the child protection system is working through the evaluation and oversight of outcomes in the system, which you have described. What evidence and advice have you and the commission provided to government over the past 12 months in relation to what appears to be the growing number of children languishing in suspected abusive homes whilst child safety staff work under immense pressure to commence investigations within the required time frames?

**Ms Vardon:** I thank you for that question. I must say that I have had long experience in child protection systems across Australia in various states, including my brief time in Queensland. I have certainly not heard of a very large number of children languishing in abusive circumstances. I wonder if you would not mind talking me through that in a bit more detail so I can talk about that.

**Mr NICHOLLS:** The figures show that the time frame to commence investigations is within 10 days, which I referred to in an earlier question to Premier, but in these instances only 22 per cent of investigations were undertaken within the same time frame. My question more fundamentally goes to what evidence and advice have you provided to the government over the past 12 months in relation to what appears to be a problem within the child safety and protection system, notwithstanding the hard work that is being done by child safety officers? Have you provided any advice to government in the past 12 months in relation to this?

**Ms Vardon:** We provide a range of advice and reports back to government, both informally and formally, around issues in the child protection system. We focus in particular on a whole-of-government approach. You would know that various departments in their various pieces of legislation have responsibility for child safety. We certainly have looked very closely at some of the data that you are referring to, including the AIHW figures, figures from the department of communities locally and the figures that I think you referred to previously, commonly called the ROGS data.

While there is still a long way to go and there is still room for improvement, overall there are some very promising trends in terms of responses and the way in which the safety and wellbeing of children is being managed. We have to remember, as the Premier said, this is a very big state with something

like 1.2 million children and young people in it. It is a complex system. Instances of child neglect are becoming more complex so my reports to government, both formal and informal, would say that there is room for improvement but there has been some improvement in the data.

**Mr NICHOLLS:** I go back to the nub of my question which really is: what evidence and advice have you provided to the government in relation to the issue? You have just said my advice to the government would be, which seems to indicate to me that it has not yet been?

**Ms Vardon:** In terms of specific advice on that data, no. In the past eight or so months that I have been here we have not yet provided that specific advice back to government, but we have a number of oversight mechanisms in place to make sure that we are able to provide that advice. One of the major steps has been the agreement between all departments, particularly the department of communities, to share their data with us on an earlier basis so we can work together to monitor trends and look for improvements.

**Mr NICHOLLS:** Am I to take out of that that you have not yet provided any advice or evidence to the government in the eight months that you have been in the role in relation to the child safety system?

**Ms Vardon:** Yes, in relation to the child safety system we have provided quite extensive advice in fact through the 'When a child is missing' report, it is being discussed through what we have called the health check report which is about the way organisations and departments respond to instances of child neglect and a range of other initiatives. Specifically around that kind of data, that is a work in progress.

**Mr NICHOLLS:** In terms of advice to the government from the commission in relation to the ROGS data and the number of investigations not being commenced within time frames that are the departmental time frames, you have not reviewed that and provided that information to the government?

**Ms Vardon:** We have begun to review that, I can say that.

**Mr NICHOLLS:** But you have not done it yet? You have not finished it or provided that advice?

**Ms Vardon:** We have not completed it yet, no.

**Mr NICHOLLS:** That is all I wanted to know. Do you think that a system where more than 78 per cent of investigations requiring action within 10 days are not being commenced is working adequately?

**Mr PEGG:** Point of order, Mr Chair. The Leader of the Opposition is asking for an opinion and I ask that you rule that question out of order.

**CHAIR:** The question is out of order. Could the member rephrase the question or move onto the next question.

**Mr NICHOLLS:** In your experience does a system that shows only 78 per cent of investigations requiring action within 10 days commenced reflects a system that is working?

**Ms Vardon:** As I said, there is some improvement in the figures which we are seeing and we do monitor those internally and discuss them. We are beginning to set up arrangements between the department of communities and ourselves to actually monitor that work more closely. In terms of the way in which the system in Queensland is working, I would look at my previous history and my previous experience with child protection systems across Australia, including to remember the reviews that I have conducted myself in other states. I would say that the system in Queensland is certainly not one that is in crisis. It is certainly one which is bent on a steady pathway of reforms—a 10-year program of reforms. We are off to a good start with those reforms.

With the improvements being made to the system and the way in which the reforms are progressing then yes the system is working as well as it can for such a large state and a large number of children and a system that will always be under stress and pressure. I would never give any system in Australia 100 per cent, I would have to say.

**CHAIR:** I now go to government questions.

**Ms PALASZCZUK:** I thank the commissioner very much.

**Mr PEGG:** My question is to the Premier. I refer to page 5 of the Department of the Premier and Cabinet SDS and the department's focus on planning for infrastructure development. How does Queensland's budgeted infrastructure investment in this year's budget compare with last year's?

**Ms PALASZCZUK:** I thank you very much for your question, member for Stretton. It gives me more of an opportunity to discuss what the government is doing in this space. Of course we are focussed on advancing Queensland's economy and creating jobs through investment in social and

economic productivity enhancing infrastructure. The infrastructure program this financial year is \$10.7 billion. It is estimated to support 31,000 jobs and is an increase on the \$10.5 billion budgeted last financial year. This includes public-private partnerships, making it a like-for-like comparison.

Importantly, my government has delivered the first state infrastructure plan in more than three years. This year's budget delivers a \$1.5 billion boost to the state infrastructure fund, taking the total investment to \$2 billion. The new state infrastructure investments include the new paediatrics wing at Townsville Hospital and the Mon Repos Turtle Centre redevelopment in Bundaberg. When I was in Bundaberg just recently the tourism sector was very impressed that investment was going into that centre. It also includes the new Mackay tourism visitor information centre, the Rockhampton road train access works, upgrades to Kawana Way and Nicklin Way and, as I said previously, the Dawson Highway. We are also very much focused on delivering right across the state. It means jobs and it also means that it gives a kickstart to regional and western communities particularly.

Whilst we are talking about infrastructure, I want to talk briefly about how important the second stage of Gold Coast Light Rail is. It was excellent to see three levels of government working together. I pay tribute to Mayor Tom Tate who came on board very quickly. The Deputy Premier is really pushing the case with the federal LNP members. When Malcolm Turnbull first came to office he was very much supportive of this project. We know that it will provide the connectivity that is needed in time for the Commonwealth Games and it is a vital infrastructure project.

As the former transport minister when the first stage of the Gold Coast light rail was built, I understand that there were concerns about the benefits which would flow from it. Now that it is up and running, there is overwhelming support from the business community. The public is utilising it as much as they possibly can. Of course, once the fairer fares come into place next year it will be in one zone too, which will be great.

Once again, three levels of government worked together. The Commonwealth government worked with us in terms of the upgrade to the Ipswich Motorway—the Darra to Rocklea leg—but we do need the Federal Government's help with the M1, especially at the Gold Coast end. We have our money on the table and now it is time for the Commonwealth to put its money on the table to really drive that. I note that Minister Mark Bailey sent to the Prime Minister a letter co-signed by a number of mayors as well as the Chamber of Commerce that shows the unanimous support to get the project up and running.

**Mr RUSSO:** I refer to page five of the SDS and to the role of the DPC in planning for infrastructure development. Will the Premier update members on the status of the Queen's Wharf proposal?

**Ms PALASZCZUK:** As members would be aware, the previous government progressed the integrated resource development process which included the Queen's Wharf development. On 16 November last year, the successful proponent, Star Entertainment and the Destination Brisbane consortium, reached contractual close. This meant that the business of getting this project under way could occur. It is important for two main reasons: it is the construction that will happen and the jobs that will come with it, but it is also the hospitality jobs, the ongoing jobs and the benefits to tourism into the future. The development of Queen's Wharf is expected to require 3,000 construction jobs with 8,000 ongoing jobs filled when the precinct is operational in 2022. Training for many of the required 6-star hospitality jobs has already begun through a partnership with Star and TAFE Queensland. I had the honour of presenting some certificates to the first graduates of this course. Everybody is gearing up and getting ready for it.

The next major milestone is the official handover of the Queen's Wharf site to the Destination Brisbane consortium on 1 January 2017. While in Hong Kong on my trade mission, I was able to meet with the members of that consortium who expressed their absolute commitment to Queensland. They can see the huge potential in the future in terms of tourism. There is also the added investment in the Gold Coast around the casino area that will almost equal the investment occurring in Brisbane. Already detailed planning for Queen's Wharf and minor works are under way, for example the relocation of tenants from the precinct's government and heritage buildings within the work site boundary, the decommissioning and storage of monuments and arts, such as the moving of the statue of the Queen to Government House—and I thank the Governor very much for his support with that move—and engaging with key stakeholders like the Bonner family and the Queensland police service on specific issues relating to the site that concerns their families and their members. We are also conscious of the contract opportunities for local business and suppliers. I know it is something of which Star is very conscious.

We also started a series of workshops in metro and regional centres to ensure Queenslanders are ready to take advantage of the project opportunities. The series includes guest speakers from Star Entertainment Group as well as supply chain and economic experts. The series commenced in

Brisbane on 12 July and there will be events in Toowoomba on 29 July, Sunshine Coast on 16 August, Mackay on 26 August, Rockhampton on 7 September, Gold Coast on 27 October, Cairns on 24 November, Townsville on 23 November, the Wide Bay on 6 October and in Ipswich in the member for Bundamba's electorate on 20 October. There are huge opportunities right across the state for people to get involved. We want to encourage as many local businesses as possible, and I really urge people to attend those seminars, and where possible the local members as well, because this means jobs for the regions and jobs for Queenslanders. We all know that the Queen's Wharf project will transform this part of Brisbane and that it will be a huge destination, a priority destination, especially for tourists from Asia. The fact that Star is looking to integrate the Queen's Wharf development with their plans of a similar scale at the Jupiter site on the Gold Coast shows how much faith they have in Queensland's future. Our high end tourism, especially focussing on the markets of Hong Kong, China, Japan and Korea, is a huge part of Queensland's economic future, and the Queen's Wharf redevelopment will play a huge role in that.

**Mrs MILLER:** I refer to the role of the Department of Premier and Cabinet at page 4 of the SDS in terms of integrity and accountability. At the health estimates on 24 July 2013 I asked the then minister for health, 'Minister, would you guarantee that the Barrett Adolescent Centre will not be closed, downsized or privatised in any way?' In his response the minister said, 'It is true that the Barrett centre is under review.' A finding of the Barrett Adolescent Centre Commission of Inquiry on page 195 stated, 'After considering all of the available evidence and the submissions, the commission is satisfied that the decision to close the Barrett Adolescent Centre was made on 15 July 2013 by Corbett as chair of the West Moreton board and Springborg as Health Minister.' How does the Premier intend to implement the recommendations of the commission of inquiry?

**Ms PALASZCZUK:** I thank the member for Bundamba for that question and pay tribute to her dealings with the families and the young people when she was the shadow minister and when I was Leader of the Opposition. We met personally with the young people, the young adolescents, with complex mental health issues and with the families. We played a very key role advocating on their behalf when they did not have a voice to be an advocate on their own behalf. I thank the member for that. Secondly, members of the committee would be aware that the commissioner handed the report to me a couple of weeks ago. The commissioner and I spoke at length about the need to engage the families on that journey to discuss the recommendations, because many of the young people are still quite distressed. We organised for the chief psychiatrist to brief the families prior to Cabinet's considering that report. That has never been done before but it was the right thing to do, because we are dealing with families that have gone through a lot and we also know that, tragically, three young people lost their lives. The report is very revealing in terms of decision-making by the former government. Yesterday, my office offered a briefing to the Leader of the Opposition. I do not know whether he has taken that up?

**Mr NICHOLLS:** Three o'clock this afternoon.

**Ms PALASZCZUK:** Thank you. That is good that you are taking that up. There were some key flaws in decision-making in terms of record-keeping and I am very interested in what the member just said, because it is very concerning if a statement was made to an estimates committee, or was it to parliament?

**Mrs MILLER:** Yes, it was to an estimates committee, and I table those documents for the benefit of the committee.

**Ms PALASZCZUK:** Because the commissioner did find through her investigations when a decision was made and then the decision was announced publicly, I understand, in August via radio. It also shows in the report that there was lack of communication in that decision-making, and I still firmly believe that the centre should not have closed without a way forward for the families. I pay tribute to the way in which the staff, my department, the Health Minister and everyone dealt with the inquiry in such a sensitive manner, but there are some key lessons to be canvassed from it.

**Mrs MILLER:** I point out for the benefit of members of this committee that the report proves in fact that the then minister for health, Lawrence Springborg, lied—oh, I am sorry—fibbed or told untruths to the estimates committee and that because that is a breach of the Criminal Code I will be writing to the appropriate authorities.

**Ms PALASZCZUK:** The recommendations that we will now implement include improving the availability and the use of evaluations to inform clinical interventions in mental health, improving transitions for adolescents moving into adult mental health services, and improving coordination between services designed to support people who have both an intellectual disability and a mental

illness. It will work with the families and the patients and consult with them. One of the key recommendations is a new facility. It is a brand new facility. We will look at co-locating that on an existing health site, something the commission recommended.

In a number of chapters, the commission also referred to education. It is important that young people are provided with an education, and we will ensure that those services are provided. A draft implementation plan for the new centre which will be prepared by the end of September will come back to Cabinet as well. During the course of the commission of inquiry, we have built new facilities and expanded existing services. These include establishing two new 4-bed youth residential rehabilitation facilities in Townsville that will support at a time up to eight young people living with serious mental health issues. In addition, there is a considerable investment of \$9.6 million in suicide prevention training for our emergency department staff as part of a wider suite of initiatives with primary care producers in the community. It is my intention that Queensland will have the best practice mental health services across the state, including for those young people with severe and complex mental health issues.

I reiterate to the committee that we must address issues of suicide in our society. We take this issue extremely seriously. We also know that there is a cohort of young people with such complex needs that they need added supports. Those added supports were provided at the former Barrett centre. Following the commission of inquiry, my government will proudly build a brand new facility which will have clinical services as well as educational services that will look after the best interests of these most vulnerable young people. I reiterate to the committee that this could be your daughter, son, niece or nephew. It does not know any barriers. It can happen to anyone at any time. When I spoke at length with the families and especially the parents, they stressed upon me, 'Annastacia, this can happen to any family, it does not matter where you live.' A family said to me, 'We just needed support. Imagine having a 10-year-old child telling you every day that they don't want to be here anymore.' It just breaks your heart. I believe that we have a clear course ahead and that we will be working with the families to implement that. Again, I thank the member for Bundamba for her help.

#### **Proceedings suspended from 11.43 am to 12.02 pm**



**CHAIR:** The committee will now resume its examination of the portfolio of the Premier and Minister for the Arts. I call the member for Clayfield.

**Mr NICHOLLS:** I have some further questions in relation to the Queensland Family and Child Commission if the commissioner is available. Commissioner, in the last session we were discussing your experience in terms of the percentage of investigations requiring action within 10 days and I asked you what your experience was in that respect—

**Mr PEGG:** Mr Chair, I raise a point of order. The Leader of the Opposition should refer to the SDS and point to where in the SDS he is referring that question.

**Mr STEVENS:** Mr Chair, you do not have to make a reference to the SDS.

**Ms PALASZCZUK:** Yes, you do. I have sat where you have sat many times and at every hearing I had to refer to the SDS. It is the routine of estimates that you refer to the SDS before you ask a question.

**Mr STEVENS:** There was a clear direction in previous estimates to do away with the necessity to refer to an SDS page or matter.

**Ms PALASZCZUK:** You should check that.

**Mr STEVENS:** Check it.

**Mr NICHOLLS:** I am happy to refer to—

**Ms PALASZCZUK:** You insisted on that rule when you were there—insisted.

**Mr NICHOLLS:** I would have thought the important thing is that we get some clarity about how the child safety and protection system works. Obviously the commissioner is the responsible entity here. She is here at the Premier's departmental estimates hearing. If there is any suggestion that I am asking the wrong person, I am sure I will be pulled up in relation to it, but I am simply asking about the statistics and the performance measures that are referred to in the SDS and the standing orders allow me to ask questions. I refer back to the question that we asked and was answered last time in relation to the commissioner's experience in respect to 78 per cent of investigations requiring action within 10 days not being commenced. Commissioner, in your experience is it acceptable that only 22 per cent of investigations commence within the recommended time frame?

**Ms Vardon:** From memory, in my previous response I talked about the general overall performance of the child protection system in Queensland and my general experience of having worked with and reviewed other systems around Australia, although I have to say that my career experience is leading education systems. I do not think, with respect, I referred to my specific experience in that data elsewhere, but in terms of whether or not those figures are satisfactory the response I gave I think—and I am happy to clarify that a little further—is that the child protection system in Queensland is a very diverse one. I do not regard it as being in crisis at all, but I certainly know that through the reforms that are underway improvements are being made. Whether or not those figures are acceptable would simply be an opinion of mine, and in my opinion those figures are improving and we are seeing some definite impact of the reforms that are happening across the system and I am very pleased to be part of that.

**Mr NICHOLLS:** Commissioner, what date did you transmit the final report *When a child is missing* to the Premier's office and department for action? Were you satisfied with the timeliness of the response to the transmission of that report to the Premier's office?

**Ms Vardon:** I cannot remember the specific date that I sent it through to the Premier's office but—

**Mr NICHOLLS:** As close as you can remember?

**Ms Vardon:** A few weeks turnaround time, and I am very happy that the time from which we submitted the final report to the day on which the Premier announced it last week was a brief period of time in my experience of releases of these reports. I know it was considered by cabinet and a lot of work went into the government's response.

**Mr NICHOLLS:** I am aware of all of that. Do you know when you transmitted the final report to the Premier's department?

**Ms Vardon:** I do not have the date with me, but we can certainly find that out before the end of the session.

**Mr NICHOLLS:** If you could take that on notice, that would be great.

**Ms Vardon:** I will get back to you before the end of session.

**Ms PALASZCZUK:** The DG can answer that.

**Mr Stewart:** My understanding—and I will want to double-check this—from the information I have before me is that it was on 5 July that the QFCC provided its report.

**Mr NICHOLLS:** Thank you for that. In terms of that report, how much consultation with external parties went into the preparation of that report? A draft is prepared, it is reviewed and finalised as the normal course of business in these circumstances. For example, when would you have sent a draft of the report to the Premier's department, perhaps to the police and perhaps to the department responsible for comment, feedback and finalisation? Can you go back in the time line for me?

**Ms Vardon:** Yes. I do not have precise dates with me but I can certainly find those out by the end of the session. It is not taking it on notice but making sure you have it before 1.30. I am happy to answer questions about the process. When the Premier first wrote to me towards the end of last year, I immediately began a consultation process with four key agencies and three or four non-government sector agencies as well. The consultation process began very early.

In terms of the role of the Queensland Family and Child Commission in its new iteration, there is not a role—and I do not believe in this anyway—for doing a report and then just delivering a report. I believe in a process of collaboration with agencies as a report is developed so people do not get a surprise when something is handed to them at the end. We had regular consultation meetings, pieces of writing that we had done, information that we had requested and analysed that was constantly fed back to four agencies—Health, Police, Communities and Education—and we had a small standing committee of four not-for-profit agencies comment on that including Bravehearts, Create and others. That process of consultation and feedback on our emerging draft happened regularly and constantly. I am pleased to say that immediately after the Premier wrote to me I then wrote to the directors-general and said, 'Let's not wait for this report to be delivered. Let's start the changes now, because children are too precious.'

**Mr NICHOLLS:** In terms of the report, in the footnotes it refers to it taking five months for the commission to commence formal consultation with the Queensland Police Service. Is there a reason in those circumstances why that took so long to occur? Can you explain that process from the commencement of the review being provided or you being asked to do the review?

**Ms Vardon:** I will check on that footnote because it may be an error; I am not sure. We certainly began consultation with the QPS soon after the Premier wrote to me. I would need to clarify that and see what is actually written there.

**Mr NICHOLLS:** Can you give me an indication of the number of child death reviews or number of reviews you have undertaken in respect to 2015-16 into this very difficult area?

**Ms Vardon:** It is a very difficult area. Behind each child death that we count as a statistic there is a story of human tragedy, sadness, grief and loss for families. In terms of responsibilities following the Queensland commission of inquiry, the QFCC now keeps a register of the deaths of all children and young people in Queensland—all children, not simply those in out-of-home care—while the department of communities conducts individual child death reviews within its department. We certainly take account of those numbers in our own register and look at vulnerabilities and circumstances, and sometimes make recommendations about policy changes and so forth.

**Mr NICHOLLS:** I have one final question, commissioner. In terms of your consultation, did you consult with the Catholic and independent school system in relation to your recommendations?

**Ms Vardon:** Yes, we did. We consulted with the director of Catholic education. I had a couple of meetings with her, in fact. I am pleased to say that the recommendation that the Catholic system and the independent schools were interested in is incorporated in the report and has been agreed to by the Premier. That is about consistency across all sectors in terms of monitoring children in out-of-home care—who they are, where they are and who is looking after them—and sharing information.

**Mr NICHOLLS:** I ask the director-general a question in relation to this area. The reform road map that was outlined after the commission of inquiry from the previous government was adopted—and the current government is continuing, I acknowledge—referred to a reform leaders group. Can you advise how that reform leaders group is going and how the meeting schedule there is going in relation to this area?

**Mr Stewart:** Thank you very much for that question. I am happy, again, to provide you the exact dates when we meet. The reform leaders group does meet regularly. I can give you the exact information when we do meet. We do meet regularly. We talk about a raft of issues in this area, particularly—and I think you are referring to the Carmody recommendation implementation.

**Mr NICHOLLS:** Yes.

**Mr Stewart:** We do talk about those. We also talk about a suite of other issues including domestic and family violence as well.

**Mr NICHOLLS:** That was a specific recommendation of the Carmody inquiry, if you like, into that area?

**Mr Stewart:** Yes, it was.

**Mr NICHOLLS:** That sort of reform group is still meeting regularly?

**Mr Stewart:** Yes.

**Mr NICHOLLS:** You can let me know the dates of that just whenever you can.

**Mr Stewart:** I will definitely give you the dates of that. In fact, I think we met about a month ago. It is part of a broader IDC. We talk about those issues around Carmody, but as I said, we also talked about matters such as domestic and family violence implementation as well. Ms Vardon is on that group as are a number of other directors-general including the Police Commissioner, too.

**Mr NICHOLLS:** Premier, in terms of your government's activity, you have previously in answers to questions on notice advised parliament—

**Ms PALASZCZUK:** Which one are you talking about? Which question on notice?

**Mr STEVENS:** He is getting to that.

**Mr NICHOLLS:** Question on notice 697 about government election commitments 509 and 510 in which the Premier advised the parliament as follows—and I will read it for you—

The implementation of Government election commitments is monitored regularly and presented to Cabinet. The information the Member seeks is currently being considered by Cabinet. However, I can advise that the government intends to publish this information and an update reporting on commitments as at 30 June 2016 will be available in the second half of the year.

Can you advise us—these were asked on 21 April 2016, question on notice 697. I am happy to table a copy if you like.

**Ms PALASZCZUK:** What was your question?

**Mr NICHOLLS:** The question is: can you advise us when the update on those election commitments will be provided given that we are now past 30 June 2016—we are well into July—and when you will be able to provide us with an update on the implementation of election commitments?

**Ms PALASZCZUK:** We said very clearly that—

**CHAIR:** Is the member seeking to table that document?

**Mr NICHOLLS:** I am happy to table it. It is a question on notice. I table a copy. Done.

**CHAIR:** Leave is granted.

**Ms PALASZCZUK:** In relation to our election commitment document, it will be available during the second half of the year. I am in the process of submitting it to cabinet because we will have the 18-month mark coming up very shortly of my government's election. I am just curious did you ever put up your election commitments?

**Mr NICHOLLS:** Yes.

**Mr STEVENS:** It is not a question.

**Ms PALASZCZUK:** I am just asking did you?

**Mr NICHOLLS:** Every six months, yes, without fail.

**Ms PALASZCZUK:** Very clearly here it says in the answer to the question on notice—

**Mr NICHOLLS:** We started it.

**Ms PALASZCZUK:**—that we would publish it during the second half of the year, and I will keep to that commitment, as I have said there. In relation to our election commitments, there is a total of 553; 227 of them were delivered as at 31 December 2015. Since 31 December 2015 a further 75 election commitments have been identified as delivered. This makes a total of 302 commitments delivered as of 30 June 2016.

**Mr NICHOLLS:** Great. You would be able to put that up almost straight away then.

**Ms PALASZCZUK:** We will be putting it up at the 18-month mark for all the world to see how we are restoring front-line services—

**Mr NICHOLLS:** We will ready ourselves for that exciting and notable day in Queensland history.

**Ms PALASZCZUK:**—protecting the Great Barrier Reef and valuing our regional communities.

**Mr NICHOLLS:** We will get ready.

**CHAIR:** Order, please. Can we have the next question, please?

**Ms PALASZCZUK:** I am always happy to talk about restoring front-line services.

**Mr NICHOLLS:** Premier, I table now a list of the inquiries—some 90-plus reviews.

**CHAIR:** Are you seeking leave?

**Mr NICHOLLS:** I seek leave to table the report of the 90 reviews—

**CHAIR:** Leave is granted.

**Mr NICHOLLS:**—that this government has publicly stated that they would undertake. Of course, that has been added to again this morning by the principal commissioner of the Family & Child Commission who—

**Ms PALASZCZUK:** I hope you are not suggesting that is frivolous because that is a very important review.

**Mr NICHOLLS:** I am not.

**Ms PALASZCZUK:** You have just been addressing child safety issues.

**Mr NICHOLLS:** I am absolutely not. That is why I have spent a considerable amount of time asking questions about how the system is working.

**Ms PALASZCZUK:** That is it and I take it very seriously. That is why I asked the commission to do that extra work.

**CHAIR:** Can we have some order, please?

**Ms PALASZCZUK:** I am just hoping you are not being—

**Mr NICHOLLS:** We took it extremely seriously. We took it seriously enough to instigate a review and put \$400 million into the transformation project. We took it extremely seriously, Premier.



**Ms PALASZCZUK:** Yet you cut 225 staff.

**Mr NICHOLLS:** What I am taking seriously now—

**CHAIR:** Order, please. Do not be argumentative. Just ask your question, please.

**Mr NICHOLLS:** I have tabled for the benefit of the committee a list of some of the 90 reviews, which is now 91, that the government has publicly stated they would undertake. Premier, can you update the committee on the status of the reviews that are being undertaken, noting that some in that list include reviews that have already been completed?

**Ms PALASZCZUK:** Sure. The most recent commitment is the Barrett Adolescent Centre Commission of Inquiry report, which we have discussed at length and which I was proudly able to release yesterday with the commissioner, looking at a very tough issue: looking at how we look after some of our most vulnerable people into the future. The member for Bundamba raised that issue. I understand you are getting a briefing on it this afternoon, as you advised the committee this morning. That is an example of my government getting to the heart of problems and putting in place procedures to ensure that the best protection is offered to those young people into the future.

We also had the commission of inquiry into serious organised crime, once again looking at all aspects of serious crime. That will formulate part of the platform for when we introduce new legislation into the House later this year.

The inquiry into Grantham flooding has been completed. That was a huge issue for those community members in Grantham who wanted answers about that tragedy that happened where many, many lives were lost. I want to pay tribute to Walter Sofronoff for the way in which he handled that issue at length.

We have had a review of the greyhound racing industry, the first state in Australia to undertake that comprehensive review into the greyhound racing industry. I think that was one of the first acts of my government in terms of setting up that inquiry with Alan MacSporran. I think what you have seen now is a way forward with that racing industry and there have been a lot of benefits from that.

I think we should also put it into context that when you were in office you also conducted reviews and inquiries. It is not just a blame game here. The inquiries that we have instigated have been absolutely necessary, and we have seen the results of those inquiries.

Another example—we did the review of the boot camps and other juvenile justice measures. That has been completed because we have implemented it with the shutdown of the boot camps. As I said, the greyhound racing industry—New South Wales has just completed theirs and look at the ramifications they are causing to many hardworking, good people who do the right thing by greyhounds. We have a vast majority of people out there doing the right thing and then there are a few people who are doing the wrong thing. With our strengthened integrity—our new Integrity Commissioner is looking at that whole industry now. There is a former deputy commissioner making sure that there is integrity. A new CEO was appointed, a new board was appointed—and I want to thank the Minister for Racing, Grace Grace, and the former minister, Bill Byrne, who have done extraordinarily good work in terms of really revamping that racing industry here in Queensland. I note that the member for Clayfield also joined me recently out at Eagle Farm for the Stradbroke, which was very good.

**Mr NICHOLLS:** It was nice to see you there—first time for everything.

**Ms PALASZCZUK:** It was very nice to see you there as well. As I said, we have had the commission of inquiry into organised crime. We have had some that are in progress, and I am more than happy to provide you with an update in relation to those.

**CHAIR:** Premier, a number of the officers have undertaken to provide further information before the end of the session in response to questions from the member for Clayfield. My understanding is that the correct process is for the Premier to take those questions on notice. Are you able to assist the committee with taking those questions?

**Ms PALASZCZUK:** Yes. We will have some to table at the end of the session. Those that we cannot provide by the end of the session we will provide within 24 hours.

**Mr NICHOLLS:** On notice.

**CHAIR:** By Friday, Premier. I hand over to the member for Stretton to ask his next question of the Premier.

**Mr PEGG:** Premier, with reference to page 4 of the SDS and the strategic objective to deliver value for money for Queenslanders, how will the government's Fairer Fares initiative benefit consumers?

**Ms PALASZCZUK:** I thank the member very much for the question. As he would know and most people in South-East Queensland would know, my government's Fairer Fares package will simplify the zonal structure and will also lower fares. We understand that there are cost-of-living pressures on families and this is one measure that I think is going to make a real difference.

We have already done things like delivered the electricity price stabilisation by directing Energex and Ergon not to challenge the regulator's ruling. Now, through our lower fares, we can deliver even more relief. Lower fares also encourage more people to use public transport. Ultimately, we want people to think twice about jumping in their cars. Why not catch a train or a bus if it is convenient and affordable?

The existing TransLink zonal structure of 23 zones is complex and difficult for infrequent commuters and tourists to understand. It also means that commuters who travel relatively short distances often cross one or two zone boundaries, which discourages using public transport for local trips. Reducing the number of zones to eight will benefit commuters by allowing them to travel further for less and will make travel more affordable.

Modelling by the Department of Transport and Main Roads has shown that the new system will benefit more than 93 per cent of public transport users and most other users will be no worse off. The cost of a single zone of travel in peak time will drop to \$3.20 from the current \$3.35. For someone who only travels one zone, this is a saving of up to \$65 a year.

I had the pleasure the day that Queensland won the State of Origin to catch a bus out to Chermide shopping centre, and I was joined by the transport minister and the member for Nudgee. I spoke to people who regularly travel to and from Chermide and the CBD and they stand to save up to \$328 a year when the new fares start in January next year. The cost for someone who travels to work in the CBD from Redbank in the electorate of the member for Bundamba in the peak period will fall by more than \$2. That is a saving of almost \$900 a year, which is great news for people living especially in those outer ring suburbs where the cost-of-living pressures are hardly felt.

The new package also replaces the nine and free scheme with eight paid journeys and 50 per cent off subsequent journeys per week. This will deliver higher travel savings to more customers. Families will benefit from the introduction of children travelling free at weekends. This has been very well received. Of course, our seniors will retain free travel each day after two journeys with one, two and free. The Fairer Fares package makes travel cheaper, it makes the network more efficient and it supports those who rely on transport every single day.

**CHAIR:** Premier, I refer to page 49 of the Department of the Premier and Cabinet SDS and boosting cultural tourism. How is the government growing tourism from interstate and overseas?

**Ms PALASZCZUK:** Thank you for that important question. Of course we know how important tourism is for our state of Queensland. I am pleased to say that with the increased commitment of my government we have been able to attract tourists from interstate and overseas. The budget allocates an extra \$33.5 million in funding over four years to grow tourism and make Queensland the No. 1 destination for millions of visitors.

This funding, through the Advance Queensland: Connecting with Asia fund, will drive growth throughout the state. The funding boost will help attract Asian tourists by securing more international air routes, creating innovative tourism products, building stronger relationships with targeted Asian cities, building the digital capability of Queensland tourism and growing awareness of Queensland experiences. It will capitalise on the success we have already had securing new and additional flights from China, Hong Kong, Canada—into the Gold Coast—Cairns and Brisbane through the successful Attracting Aviation Investment Fund. The member for Mermaid Beach should be very happy. You will get a lot of visitors coming to your neck of the woods, and why wouldn't they? It is beautiful down there.

In the year to March 2016, international visitor expenditure in Queensland reached more than \$5 billion for the first time. The total number of international visitors to Queensland grew 10 per cent to 2.4 million, and China has overtaken New Zealand as the largest source of international tourists for the first time. We saw 442,000 Chinese travellers coming to Queensland for the period ended March 2016, which is an increase of 29 per cent. We just know that market is going to continue to grow. The number of visitors from the US increased by 18 per cent to 208,000. While China has recorded the highest level of expenditure in the state in recent years, this was the first time it had also been the largest source of total international visitors. We are also starting to see the return of more Japanese travellers making their way to Queensland and the steady growth of visitors out of Korea, Singapore, Taiwan, Indonesia and Malaysia.

Our recent trade mission was interesting. The Director General and I met with many people in China, and they were also very keen to stress that, for many of them, Queensland is their No. 1 tourist destination. I want more people in China thinking that because it will grow our numbers. When we were in Chengdu we also had the opportunity to have discussions with Sichuan Airlines. We need to be looking at those outer tier cities. I think that province alone has something like 70 million people, from memory, and it would be great if we could attract that airline into Cairns. We are working very closely with them, and we have also announced that we will be setting up a trade office there as well.

**Mr Stewart:** I think there are 800 million people in the middle class.

**Ms PALASZCZUK:** Thank you, Director General. There are about 800 million people due by 2030, so we need to capitalise on that so that, once more and more people start getting passports, they will come here.

I might advise the committee about our new flights. Last year we had a target of securing 150,000 additional airline seats through the Aviation Attraction Fund. This was exceeded, with 209,000 new seats secured. New routes into Queensland since February include: the first twice-weekly direct service from Wuhan, China to the Gold Coast operated by Jetstar, which commenced in September last year; Hong Kong Airlines' first seasonal program of flights, which has now increased to a year-round scheduled service from Hong Kong to the Gold Coast with connections through Cairns; a new daily service between Vancouver and Brisbane operated by Air Canada which commenced in June 2016; and, very importantly, our China Eastern's new year-round daily Shanghai to Brisbane service which will be launched in December this year—I think we have a date for that—which I will be very keen to attend because it is very important that we welcome this airline to Queensland. Once again we had the honour of meeting with China Eastern, and once again they see huge opportunities for Queensland. We want to see more and more tourists coming here, and why would you not come to Queensland? 'Beautiful one day, perfect the next.'

**Mr STEVENS:** It is a good old slogan.

**Ms PALASZCZUK:** It is a great slogan.

**Mrs MILLER:** I refer to page 8 of the SDS, and this is about Arts Queensland. It says that the department supports capital infrastructure that provides public spaces for arts productions and engagement. Premier, when Matt Foley was the arts minister he opened the Goodna Cultural and Arts Centre, which has now been turned into a gymnasium—far from its intended purpose—and the community is in fact demanding this space back again. It is obviously very important for our local community, particularly with 120 nationalities, to be able to have a space where they can perform. It was purpose-built for ballet. I think from memory it was funded under the Community Renewal program, with which you are very familiar.

I am wondering whether or not you could make the appropriate investigations to return this particular building to its original purpose, because I know that you agree space for the arts is very important to our local communities which have a diverse multicultural population.

**Ms PALASZCZUK:** What was the name of the centre again?

**Mrs MILLER:** The Goodna Cultural and Arts Centre.

**Ms PALASZCZUK:** Of course you are aware that our government values a growing arts community, and the arts is not just centred around Brisbane. We have dynamic arts groups and arts communities flourishing right across the state, whether it is in Goodna, Ipswich or Cairns. I recently had the privilege of attending the CIAF Indigenous Arts Fair. We are also putting more money into our regional arts. I am more than happy to have a look at the issue that you have raised today.

Once again I would just highlight that we do value the arts in this state. We have worked to restore arts funding. Our arts sector had been affected by cuts to arts grants, which directly impacted upon the viability of organisations and the employment of artists and art workers. Arts Queensland experienced an annual cut of \$3.82 million in its space funding for its grant programs.

In this budget we realised that urgent work for critical maintenance on our state's Cultural Precinct was unfunded and unable to be undertaken, so we have put money towards that. In 2015-16 we provided funding for \$1.7 million annually to base funding for grants to the small to medium sector and \$28 million over four years to support critical maintenance and infrastructure requirements at the Cultural Precinct. In 2016 further funding has been committed to the arts portfolio: \$1.2 million to the Queensland Ballet to uplift core funding. The Queensland Ballet is continuing to grow from strength to

strength with sell-out audiences, and I really want to pay tribute to everyone on the board there. Li and his team are really driving that. Of course we have also allocated \$23.75 million over four years to support exhibition attraction and maintenance of QAGOMA and the Queensland Museum.

In terms of our regional arts program, there have been 35 successful applicants over the years, and once again these are spread right throughout Queensland. They vary from things such as the Queensland Folk Federation, Southern Cross Soloist music, Umbrella Studio, Circa Contemporary Circus, Artslink Queensland and Dancenorth.

**CHAIR:** Commissioner, it is okay for you to resume your seat.

**Ms PALASZCZUK:** She has an answer to the question, if that is all right.

**CHAIR:** My understanding is that it is okay to answer the question.

**Ms Vardon:** I will be very brief. The member for Clayfield asked me when we began the consultation with QPS and mentioned a particular footnote. I am happy to say that we began consultation with QPS eight days after the request from the Premier came to me. Footnote 3, staff advise me, refers to the date QFCC accessed the particular definition to quote in the report relating to the roles and responsibilities of police and providing a duty of care to children.

**Mr PEGG:** Premier, I refer to page 7 of the Department of Premier and Cabinet SDS and the role of DPC with special events. The hosting of the 2018 Commonwealth Games on the Gold Coast is a key special event for Queensland. What progress is being made on the Games for the benefit of Queensland?

**Ms PALASZCZUK:** Thank you very much, member for Stretton, for that question. I think everyone would agree how important the Commonwealth Games are for not just for the Gold Coast but our entire state. I am proud to have been a member of the previous Labor government that helped secure the Games and now to be the Premier that will deliver them.

The 2018 Commonwealth Games is an absolutely wonderful opportunity to showcase Queensland on the international stage. The Games venue infrastructure is on time and within budget. All new and upgraded facilities are set to be delivered within the next 12 months, allowing test events to be hosted 12 months before the Games. The \$320 million investment in new and upgraded sport and community infrastructure will generate 1,000 full-time equivalent jobs during design and construction, and more than 5,700 workers are engaged on the Games to date. There will be 30,000 jobs in total associated with the staging of the Games. The venues are going very well. Some examples of the number of jobs that are being generated from those particular venues include: the Carrara Sports Precinct, 390 jobs; Coomera Indoor Sports Centre, 130; Queensland State Velodrome, 190; Commonwealth Games Village 1,500; and the Gold Coast Aquatic Centre, 135—just to name a few. We look forward to continuing to update the public about construction.

What is also important is that we attract sponsorship. I appointed Peter Beattie to be the new chair, with his primary focus to be driving that sponsorship by going into New South Wales and Victoria to get the sponsorship that is needed for the Commonwealth Games. There will be a lot of opportunities. Just the other week down at the Gold Coast we announced our first ambassador, Sally Pearson. She is going to be a fantastic ambassador. The school kids were all mesmerised by the fact that they were meeting a local hero of theirs, and they will also hopefully get the opportunity in the future to either participate in an opening or closing ceremony. We want to see as many young people as possible involved in those ceremonies and attending the games. I think the members of the Gold Coast should be very proud that all of this work is happening in their own back yard. It is going to leave a lasting legacy not just for the state but for the Gold Coast.

**CHAIR:** Premier, I refer you to page 4 of the SDS and the Department of Premier and Cabinet's focus on supporting jobs and economic growth. How will the Cross River Rail project contribute to job and economic opportunities for people in the south-east corner?

**Ms PALASZCZUK:** I thank the chair very much for the question. As members of the committee are aware, Cross River Rail is the government's highest priority infrastructure project, providing an inner city rail solution and transforming the south-east Queensland rail network. It is the No. 1 priority infrastructure project in Queensland and the No. 1 priority infrastructure project in Australia. We need to get this project underway.

The Cross River Rail project will include four new stations and support economic growth and productivity by providing rapid and high-frequency connections between key Brisbane inner city destinations. It will boost transport use across the region by 29,000 trips per day in 2036 and will ease congestion by taking more than 18,000 cars off the road a day. We have made very strong statements

about the expectation around jobs. It would create around 570 operational jobs each year and support an additional 65,000 jobs within the new station precincts. We have already committed \$800 million in a principal commitment to kick-start the project funding: \$634 million over the next eight years in a world-class European train controlled system, paving the way for Cross River Rail; and \$50 million in the 2016-17 budget for the establishment of a new Cross River Rail Delivery Authority. We want our investment to be joined by investment from other levels of government, and we will work very closely with the Turnbull government and other stakeholders, including the Brisbane City Council, to help get this project off the ground.

**CHAIR:** I now hand over to the member for Gregory.

**Mr MILLAR:** Premier, I refer to page 4 of the Premier's SDS which identifies the strategic objective of retaining a talented and diverse workforce, and I ask: why has your government cut critical funding of \$250,000 from the Heart of Australia truck which is providing essential services in cardiovascular services and providing cardiologists into isolated communities across Western Queensland?

**Ms PALASZCZUK:** Sorry, but what was the name of the—

**Mr MILLAR:** It is the Heart of Australia truck with Dr Rolf Gomes. He is a cardiologist delivering cardiovascular services across Western Queensland.

**Ms PALASZCZUK:** I am not aware of that. I am happy to look into that for the member.

**Mr MILLAR:** Your government has cut \$250,000 from that. It is providing cardiovascular services across Western Queensland which are critical in making sure that—

**Ms PALASZCZUK:** Yes. I am happy to have a look into it. I have been out to Roma recently. We are investing \$70 million in renovations of a brand-new hospital. I am happy to look at the specifics of that. Unlike the former government, of which you were not part, they cut more than 4,500 staff from our vital health professionals across the state. I remember being out in a small town called Morven and I was speaking there with the families who were very distressed about the cut of what was at the time supposed to be the only nursing practitioner in that particular region.

**Mr MILLAR:** With all due respect, Premier, Lawrence Springborg, the previous health minister, provided \$250,000 for the Heart of Australia truck. It is a truck that goes around Western Queensland providing essential services and bringing specialists such as cardiologists into those areas such as Winton, Barcaldine—

**Ms PALASZCZUK:** We are happy to look it at for you. We are very happy to have a look at it. This is the first I have heard about it, so I am happy to get to the bottom of it.

**Mr PEGG:** I rise to a point of order. The member for Gregory is attempting to enter into a debate in not allowing the Premier to answer the question. Furthermore, he is simply repeating the same question that he has already obtained the answer to.

**CHAIR:** Thank you for your point of order—

**Mr MILLAR:** With all due respect—I rise to a point of order—this is very important to my area—

**CHAIR:** Just let me finish, member for Gregory.

**Ms PALASZCZUK:** I am happy to get more information about that.

**CHAIR:** Premier, are you happy to take that on notice?

**Ms PALASZCZUK:** Yes, I am.

**CHAIR:** Thank you, Premier. Next question.

**Mr NICHOLLS:** Premier, with regard to your government's and your department's role, if you like, in leading the social cohesion, health and wellbeing of Queenslanders, can you confirm for the benefit of all those who are interested, which would be many, that your government remains committed to support the 1 am lockout in entertainment precincts?

**Ms PALASZCZUK:** In relation to our commitment about curbing alcohol fuelled violence, we remain absolutely committed to reducing the number of assaults, the number of deaths and ensuring public safety. The member would be aware that the laws were passed during this term of government. It was passed on 17 February and it has come into effect. We have had some preliminary advice and some reports from the police on the ground—and I will just get that for you—that there has been a reduction in violence.

**Mr NICHOLLS:** My question was does the government remain committed to support the 1 am lockout which is due to come into effect in February next year?

**Ms PALASZCZUK:** It is due to come in as per the legislation next year, yes.

**Mr NICHOLLS:** You remain committed to supporting that position?

**Ms PALASZCZUK:** Yes.

**Mr NICHOLLS:** That is all I needed to know. I reference the SDS in terms of the department supporting the delivery of the Queensland government's objectives for the community, including a focus on integrity and accountability. I ask, Premier, in that sense: when did the government first make the decision to change the voting system that has been in place in Queensland for 25 years to a compulsory preferential voting system?

**Ms PALASZCZUK:** The government made the decision on the same day that you decided to increase the number of members of parliament to be represented in the House.

**Mr NICHOLLS:** What day was that, Premier?

**Ms PALASZCZUK:** It was the same date. I do not have that date. You were there.

**Mr NICHOLLS:** In effect, Premier, there was no consultation in relation to the decision to change the voting system that had been in place for nearly 25 years.

**Ms PALASZCZUK:** And there was no decision on the legislation that was introduced that day to increase the number of—

**Mr NICHOLLS:** Premier, if I can refer you back, how do you relate that to your government's commitment on integrity and accountability and it being achieved through consultation and guiding whole-of-government decision making?

**Ms PALASZCZUK:** I thank the member for the question. I think what we need to look at here is that everyone has just gone and voted in a federal election, which has compulsory preferential voting, and I did not see any complaints about that. We have just had the Toowoomba South by-election, which I understand was a massive swing against the LNP.

**Mr NICHOLLS:** Not as massive as the one against you, which was zero.

**CHAIR:** Do not be argumentative please.

**Ms PALASZCZUK:** Massive swing; first test of a by-election.

**Mr NICHOLLS:** Mr Chair, come on! Mr Chair, that is completely unreasonable.

**Ms PALASZCZUK:** Swing against the LNP.

**Mr NICHOLLS:** The statement was made by the Premier, not by me, so the direction needs to be made to the Premier.

**Ms PALASZCZUK:** I will get back to the question. In Toowoomba South people went to the voting booths—

**Mr NICHOLLS:** What were you afraid of up there in Toowoomba South?

**Ms PALASZCZUK:** They went to the voting booths and they voted in the exact same manner in which they voted in the federal election, which is compulsory preferential voting.

**Mr NICHOLLS:** And had a 20 per cent non-attendance rate and the biggest informal—

**CHAIR:** Can you move on to the next question and stop the commentary?

**Mr NICHOLLS:** Sure. Let me go further then in terms of your failure to consult with the broader public in relation to the change after 25 years. Was the decision taken to cabinet prior to it being introduced into parliament?

**Ms PALASZCZUK:** As you are aware, the legislation was introduced to increase the number of members into the Queensland parliament and the government introduced an amendment.

**Mr NICHOLLS:** Was it taken to cabinet before that was done, Premier? It is a cabinet government.

**Mr STEVENS:** It is a simple question, Mr Chair.

**Ms PALASZCZUK:** It was debated in the House. Every single member of the House had the opportunity to vote on it and they did.

**Mr NICHOLLS:** So it did not go to cabinet before it was debated in the House?

**Ms PALASZCZUK:** We are talking about parliamentary matters here. I have answered the question.

**Mr NICHOLLS:** It is to do with the transparency through consultation in guiding whole-of-government decision making, Premier.

**CHAIR:** Order! Order, please. The Premier has answered the question. Can we move on to the next question please?

**Mr NICHOLLS:** Sure; no trouble. Premier, the Office of Parliamentary Counsel falls within your portfolio areas. When was the instruction given to the Office of Parliamentary Counsel to start drafting the amendments to change the voting rules after 25 years?

**Ms PALASZCZUK:** I did not draft the amendments. You would have to direct that question to the Attorney-General.

**Mr NICHOLLS:** So it was not something that you were aware of when the decision was made to give those instructions to the Office of Parliamentary Counsel?

**Ms PALASZCZUK:** It was all undertaken during that day.

**Mr NICHOLLS:** Right, so the Attorney-General acted independently of informing you of giving those instructions?

**Ms PALASZCZUK:** No, I was aware.

**Mr NICHOLLS:** The instructions were given on the same day that the amendments were introduced?

**Ms PALASZCZUK:** That is my understanding, but I will have to double-check the timing.

**Mr NICHOLLS:** Premier, in those circumstances, would you agree or disagree that such significant changes that are being supported by the government ought to have been either the subject of a committee debate or wider public debate before they were introduced?

**Ms PALASZCZUK:** There was a bill before the parliament. I have addressed this in detail. We had a lengthy debate about it on the floor of the parliament. In fact, Leader of the Opposition, I understand that you are now sitting there as a result of a leadership coup on the former leader of the opposition as the result of the changes that went through the parliament. Is that not correct?

**Mr NICHOLLS:** Premier, you can understand or misunderstand as much as you possibly like. The reality though is is it the case that you agree or disagree that those sorts of significant changes ought to be debated either at a committee level where there is public involvement or more broadly in the broader committee—

**Ms PALASZCZUK:** I would have liked the whole changes about increasing the number of members of parliament to have had thorough scrutiny as well, which they did not.

**Mr STEVENS:** They did.

**Ms PALASZCZUK:** They did not.

**Mr STEVENS:** They did.

**Ms PALASZCZUK:** They did not.

**CHAIR:** Deputy Chair, no arguing please.

**Mr NICHOLLS:** Premier, if I can also go to your ministerial charter letters sent out to cabinet ministers earlier this year. One of the whole-of-government priorities is consultation. Can you advise whether the Attorney-General, who is the recipient of one of those letters, consulted with regard to the changes made to the voting system to introduce compulsory preferential voting? Is that not a breach of the minister's charter?

**Ms PALASZCZUK:** As I have said very clearly, I am not going to change my answer. It is very clear that everybody has just gone and voted in a federal election. Everyone votes in that election under a compulsory preferential system. They have just voted in the Toowoomba South by-election, so we will now have consistency, as I understand, across nearly every other state in Australia.

**Mr NICHOLLS:** Premier, given the rushed changes to the electoral system, do you believe that the way that those changes were instigated and implemented—on the same day, as you have now admitted—without cabinet decision making is another example of a broken election commitment to deliver transparency and accountability to the people of Queensland?

**Ms PALASZCZUK:** Today I have just announced a very important measure in relation to integrity and accountability in this state, and that is the real-time disclosure of donations. There is nothing more important than the public knowing who is donating and when. What we saw under your former government, if you want to go into consultation, was increasing the threshold—

**Mr NICHOLLS:** Premier, if I wanted to ask about that—

**Ms PALASZCZUK:** I am allowed to answer the question.

**Mr NICHOLLS:** The question was in relation to—

**CHAIR:** Order!

**Ms PALASZCZUK:** Increasing the threshold from \$1,000 to over \$12,000—

**Mr NICHOLLS:** The question was in relation to your decision on 18 minutes notice to change the law.

**Ms PALASZCZUK:** Yes, integrity and accountability!

**CHAIR:** Order! Order, please!

**Ms PALASZCZUK:** And I will match my record against yours any day of the week. Merit based selection for directors-general—

**Mr NICHOLLS:** Would you suggest—

**Ms PALASZCZUK:**—integrity and accountability when it comes to political donations—

**Mr NICHOLLS:** And the appointment of union mates to boards. I have got all of that.

**Ms PALASZCZUK:**—real-time disclosure.

**Mr PEGG:** I rise to a point of order.

**CHAIR:** Order, please. What is your point of order?

**Mr PEGG:** My point of order is that the Leader of the Opposition continues to interject on the Premier when she is answering questions. She should be allowed to answer the question asked of her by the Leader of the Opposition.

**CHAIR:** Premier—

**Ms PALASZCZUK:** I will tell you one thing we will not do: we will not sack a committee in the middle of the night, which happened under your former government.

**Mr NICHOLLS:** Premier—

**CHAIR:** Could we move on to the next question please?

**Mr NICHOLLS:** Thanks, Mr Chair. Premier, given the rushed changes to the state's electoral system that were introduced by your government, would you say that you have abandoned now the principles you signed up to before the election in order to adhere to the Fitzgerald principles?

**Ms PALASZCZUK:** No. We sign up to those principals. As I can recall from memory, the former premier, Campbell Newman, did not.

**Mr NICHOLLS:** No, that is where you are wrong. They did.

**Ms PALASZCZUK:** I would just need to double-check that. As I said, I am advised—

**Mr NICHOLLS:** You are welcome to.

**Ms PALASZCZUK:** I have said very clearly integrity and accountability is very important. We have had merit based selections for directors-general. We have put in place very clear electoral donation thresholds. We still do not know about the missing hundreds of thousands of dollars that were contributed to your party, of which you were a member, which were not disclosed in accordance with the \$1,000 threshold.

**Mr NICHOLLS:** Premier, can I take you back to the question that I am asking?

**CHAIR:** Just allow the Premier to complete her answer please.

**Ms PALASZCZUK:** Thank you. Also today I announced that there will be real-time disclosures live next year about political donations. I believe that we will be one of the first states in Australia to do this, if not the first state, and it is something that I think the Commonwealth is probably going to look at into the future as well. I will tell you what we are not going to do: we are not going to sack committees in the middle of the night. We are not going to dump legislation like this in the parliament to be debated that night, as happened with the VLAD legislation. We are not going to treat people disrespectfully.



**Mr NICHOLLS:** You voted in favour of the VLAD legislation. You voted in favour of it.

**Ms PALASZCZUK:** It did not go to a committee process either, so you just—

**Mr NICHOLLS:** You voted in favour of the VLAD legislation.

**Ms PALASZCZUK:** And we are not going to—

**CHAIR:** I remind the member for Clayfield to please let the Premier answer the question.

**Mr NICHOLLS:** It is an argumentative response.

**Ms PALASZCZUK:** We are not going to sack public servants, and there is still fear in the Public Service, member for Clayfield, about your actions. I know you do not like talking about it, but people are scared when they see you because you remind them of the past. You remind them of the past and the fear that you put through them when you were treasurer of this state because you treated the Public Service, of which I am a very proud Premier to administer, and you treated people with disrespect—with complete and utter disrespect.

**CHAIR:** Can we move on to the next question please?

**Mr NICHOLLS:** Premier, in terms of your charter letters, can I—

**Ms PALASZCZUK:** They do not like hearing about it.

**Mr NICHOLLS:** I beg your pardon?

**Ms PALASZCZUK:** You do not like hearing about it.

**Mr NICHOLLS:** I am happy to discuss it all day and every day.

**CHAIR:** Can we get back to—

**Mr NICHOLLS:** That is not what we are here for. We are here to get answers to questions as to why you have abandoned things like the Fitzgerald principles and your commitment to accountability and transparency to change a system to benefit yourself.

**Ms PALASZCZUK:** So you support the—

**CHAIR:** Member for Clayfield! Member for—

**Ms PALASZCZUK:** Are you going to disclose all those donations?

**CHAIR:** Premier, please.

**Ms PALASZCZUK:** Disclose the missing donations?

**Mr NICHOLLS:** I have nothing to do with them, so—

**CHAIR:** Order, please!

**Ms PALASZCZUK:** You have nothing to do with them?

**Mr NICHOLLS:** Absolutely.

**Ms PALASZCZUK:** You are the leader of the—

**CHAIR:** Order, please.

**Mr NICHOLLS:** It is not like the Labor Party.

**CHAIR:** Order, please.

**Ms PALASZCZUK:** Pick up the phone and—

**Mr NICHOLLS:** It ain't the ALP.

**Ms PALASZCZUK:** Because we disclose ours.

**CHAIR:** Order, please! Can you go on to your next question please?

**Mr NICHOLLS:** I have been trying to.

**CHAIR:** Can you try to make it one question at a time?

**Mr NICHOLLS:** My question to the Premier is in relation to the charter letters as I have referred to previously. Premier, despite \$40 million being allocated for Jobs Queensland—and it is showing up as one of the inquiries, reviews, task forces and bureaucracies that you have established—the body is still without a board. I note an advertisement for the members of that board was only placed two weeks ago.

**Ms PALASZCZUK:** The chair has been appointed.

**Mr NICHOLLS:** Premier, are you disappointed in the failure of the Minister for Training and Skills to deliver this body despite it being one of the key deliverables in her charter letter?

**Ms PALASZCZUK:** Thank you, Leader of the Opposition. I have had conversations with the Minister for Training about this. In fact, one of the very first conversations I had with her is that I wanted Jobs Queensland to be located in Ipswich—something I am very proud of to see if we can have some more of our public servants, our front-line workers out there in the communities being able to live closer to where they are. Rachel Hunter has been appointed as the chair. There has been an interim reference board, which has been meeting extensively, and they have been focusing on providing advice on workforce planning for the tourism industry in the development of the Advancing Tourism plan. They have had responsibility for the oversight of the National Disability Insurance Scheme Workforce Strategy for Queensland. They are delivering a project on Queensland's apprenticeship and traineeship system, including leading an industry reference group to provide strategic industry advice and recommendations as well as providing advice on opportunities to maximise training and skills outcomes for the Queen's Wharf development in collaboration with the Destination Brisbane Consortium. As you can see, there is a very extensive program of work that is already happening. I think, having Rachel Hunter as the chair, she will research drive this into the future.

**Mr NICHOLLS:** So is it fair to say that, in fact, \$40 million has been allocated in the budget. The facility has been able to be established under legislation since October. It actually has not delivered one job for Queenslanders?

**Ms PALASZCZUK:** I would not say that at all, because—

**Mr NICHOLLS:** Tell me the jobs that it has created.

**Ms PALASZCZUK:** There is a whole Working Queensland package. As you can see, with the National Disability Insurance Scheme, the trial started in July. They are looking at the future workforce planning of those people working in the National Disability Insurance Scheme into the future.

**Mr NICHOLLS:** So apart from Ms Hunter, who has a job from Jobs Queensland?

**Ms PALASZCZUK:** You are so rude. You will not let me finish my sentence.

**Mr NICHOLLS:** No, no, I am asking—

**Ms PALASZCZUK:** You are still arrogant.

**Mr NICHOLLS:** Apart from Rachel Hunter—

**Ms PALASZCZUK:** You are still arrogant.

**Mr NICHOLLS:**—who has received a job from the \$40 million and the eight months of the operation—the nonoperation—of Jobs Queensland?

**Ms PALASZCZUK:** It is to set the workforce planning into the future and I have just gone through at length examples of that.

**Mr NICHOLLS:** It did nothing until when? It has had a guidance—

**Ms PALASZCZUK:** It has had an interim reference group.

**Mr NICHOLLS:** It had a guidance board.

**Ms PALASZCZUK:** I am sorry, chair.

**CHAIR:** Member for Clayfield, could you allow the Premier to answer the question.

**Mr NICHOLLS:** If the Premier were answering the question.

**Ms PALASZCZUK:** I have answered the question.

**CHAIR:** And stop interrupting, please.

**Mr NICHOLLS:** Mr Chair, it is an important topic. The unemployment rate is going up. There is \$40 million that has been allocated. It has not been spent. One board member—a chair—has been appointed and nothing else. That is simply all I am asking the Premier to answer. What jobs have been created as a result of Jobs Queensland?

**Ms PALASZCZUK:** It is part of the overall Working Queensland. I said to you at length that I have taken the Working Queensland cabinet subcommittee right across this state and the Minister for Training and the Attorney-General, Yvette D'Ath, has attended some of those meetings with me as well. We have reintroduced Skilling Queenslanders for Work. That is generating jobs. We just announced the next stage of that—a program that, when you were treasurer, you axed. We are very much focused,

and I said it at the beginning of this hearing, that we need to do more about job creation. That is why we have a \$10 billion infrastructure fund. That is why we are restoring front-line services, because Queensland is a growing state. I cannot be any clearer.

We are also looking at focusing public servants outside of Brisbane. That is why I have asked Jobs Queensland to be located in Ipswich—outside of the Brisbane CBD.

**Mr NICHOLLS:** Premier, I do not know that creating extra jobs in the Public Service is one of the problems that we face at the moment.

**CHAIR:** Time has expired. I move on to the next question.

**Ms PALASZCZUK:** Thank you.

**CHAIR:** I ask the member for Stretton for his next question.

**Mr PEGG:** I refer the Premier to page 12 of the Service Delivery Statement, which notes that Screen Queensland received an additional \$6.2 million in administrative funding in the 2016-17 budget. Could the Premier outline how these funds are helping to develop the film industry?

**Ms PALASZCZUK:** I thank the member very much for the question. I think it has been very clear that, as Premier and Minister for the Arts, I have been very focused on driving a film and television industry here in Queensland. Since taking office in February 2015, that has indeed been the case, with Marvel's *Thor: Ragnarok*—the latest in a line of international blockbusters to be shot here. As everyone knows, there is a real buzz on the Gold Coast. The key actors are in town and filming has begun.

*The Shallows, The Nest 3D, Jungle and Kong: Skull Island* were all attracted by our superior studios and facilities, our range of shooting locations and, of course, our wealth of creative talent both in front of and behind the camera. In fact, Queensland production expenditure for 2015-16 is estimated to be \$218 million, which is the highest since 2002-03. The total estimated number of jobs created by Screen Queensland supported productions in 2015-16 is over 2,800 and that does not include cast.

I am pleased to advise the committee that, to further support our film industry, Screen Queensland has been allocated an extra \$30 million over four years. These funds have been dedicated to attracting large-scale film and high-end television productions to Queensland to drive jobs, tourism and new spend into our economy. The potential for our state in relation to film and television has been apparent for many years and the opportunities available to us have been even more evident to me since coming to government. I have taken every chance to promote our potential, particularly during my trade missions to the US. During my 2015 trade mission, I met with the President of Walt Disney Studios, Sean Bailey, and Vice-President, MaryAnn Hughes, in LA. This is a studio that owns the rights to multibillion film franchises such as *Marvel, Star Wars* and *Pirates of the Caribbean* as well as the Disney stable of blockbusters and hits. When Sean Bailey came to Australia with director Jerry Bruckheimer to check progress on the filming of *Pirates of the Caribbean*, I took the opportunity to continue discussions with Disney about our facilities and our expertise.

**Mr Nicholls** interjected.

**Ms PALASZCZUK:** No, following on from that I am talking about. This groundwork, along with the continued hard work of Screen Queensland, helped us to secure the filming of the Disney Marvel blockbuster *Thor*, starring Chris Hemsworth and Cate Blanchett. In this extremely competitive environment, Queensland has shown that it can match—

**CHAIR:** I ask the non-government members to keep their chatter down, please, because you are interrupting the Premier.

**Mr NICHOLLS:** Sorry.

**Ms PALASZCZUK:** They can go outside if they want to talk and they do not want to hear.

**Mr NICHOLLS:** I apologise.

**Ms PALASZCZUK:** However, as Queensland's profile in the screen industry continues to rise, the southern states are also attempting to secure more film productions—I think another fight with New South Wales. I note that the New South Wales government under Mike Baird recently announced \$20 million over two years as an incentive package to attract film and television production but, as I said, we have beaten them with \$30 million.

During this year's trade mission, I advise the committee that I hosted a reception for the heads of major Hollywood studios, such as Warner Brothers, the legendary Disney and Marvel. Their response has been great and there are a couple of potential deals that could also come to fruition in the very near

future. We are also looking at films with Stan, shows with Netflix and a series of major blockbusters and feature films. Our four-year investment provides greater certainty for the industry, as studios want certainty when budgeting where to go and they need to know what years when they are planning ahead.

I think that we can say clearly that we are very well positioned. There are a lot more opportunities on the Gold Coast and, with the super sound stage there, that is a very attractive feature for the large blockbusters, which the other states do not have. It is the largest super sound stage in the Southern Hemisphere. That will also double as the squash courts for the Commonwealth Games.

**CHAIR:** I refer the Premier to page 17 of the SDS and the total Arts Queensland budget. Will the Premier outline the allocation for the Backing Indigenous Arts program in 2016-17?

**Ms PALASZCZUK:** I thank the chair very much for the question. As I was talking about earlier, just last Thursday it was my great pleasure to attend the opening of the seventh annual Cairns Indigenous Art Fair—or CAIF. Having been there last year, I can safely say that this is one of the highlights of the Queensland arts calendar. In fact, in your role as arts shadow you should come along next year. It is tremendous to see the amount of talent that we have in our Indigenous communities. I offer you an invitation.

**Mr NICHOLLS:** I have been there.

**Ms PALASZCZUK:** Dozens of Aboriginal and Torres Strait Islander artists come together for a long weekend of art, music, dance, lectures, workshops and more. Collectors from all over Australia were very interested in the beautiful famous carved wooden dogs from Aurukun. I can report to the committee that I was advised that the entire collection was sold out even before CAIF was officially opened. I bumped into Tony Ellwood from the National Gallery of Victoria, who advised me that they had purchased the entire collection for the Victorian art gallery. It is good to know that they are going to have a safe home in Victoria.

Apart from the colour, spectacle and scale of the event, the best thing about CAIF is that it is the end point of a system that is designed to grow the economic participation of Indigenous communities through the arts. The groundbreaking Backing Indigenous Arts program supports artists from creation to market, with an investment cycle that begins with arts centres and individual grants and concludes with the support of CAIF.

In 2016-17, my government will commit \$3.15 to Backing Indigenous Arts, including \$600,000 to CAIF. We also support the peak body and network of 14 Indigenous arts centres and hubs across Far North Queensland that play a critical role in remote communities as places of creative endeavour, employment and social support. The art and culture of these art centres are the showpieces of the Cairns Indigenous Art Fair.

Since the inaugural event in 2009, CAIF has achieved more than \$5.5 million in artwork sales, injected an estimated \$15 million in the local economy and attracted more than 150,000 visitors. My government is CAIF's principal supporter and we share the commitment to showcase the best of Queensland's Indigenous art and culture with the world and creating economic opportunities for artists and the wider Cairns community. I congratulate everyone who was involved in that program. It is truly spectacular. It is great to also note that many of those artists are now known on the world stage. I had a chat to Mavis from Aurukun, who showed me her incredible artwork. It is just wonderful to see that they are getting the international recognition that they deserve. I also want to congratulate our young Claudia. She is the granddaughter of Sally Gabori. She had her first official art exhibition and already some of her artwork, especially her painting of the skateboards, has been sold. So congratulations to her. As we can see, we have a thriving arts community in Queensland.

**CHAIR:** Thank you, Premier.

**Mrs MILLER:** Chair, I would like to call the Auditor-General, please, Mr Andrew Greaves. I refer to page 113 of the SDS. I would like to ask whether there are any special or out-of-the-ordinary audits or investigations into local government. If so, could the Auditor-General please name these local governments?

**Mr Greaves:** Sorry, you referred to page 113 of the SDS?

**Mrs MILLER:** Yes.

**Mr Greaves:** Is there a particular area?

**Mrs MILLER:** Just under how to conduct public sector financial and performance audits.

**Mr Greaves:** Yes.

**Mrs MILLER:** I am particularly concerned about any special audits, or any out-of-the-ordinary investigations that may be underway into local government.

**Mr Greaves:** Into local government. Thanks very much for the question. Chair, my audit mandate covers both financial audit and performance audit. I routinely every year undertake the financial audits of all local government entities, councils and their related parties. Within those financial audits there may be specific matters that I examine that could arise from my own auditors detecting issues or from referrals. There are none that come to mind specifically at this stage that are what I would call a special investigation, or out-of-the-ordinary investigation in terms of local government.

I will qualify that to the extent that we get a number of referrals that go to allegations of fraud and fraudulent behaviour. I would suggest that, at any one time, there is always some investigation that we are undertaking in the local government sector as it goes to an allegation of fraud. Because these audits are all on foot at the moment, I am precluded from providing specific detail, given the confidentiality provisions of my act, but I can assure the committee and the parliament that anything that is significant is reported in my report on the results of financial audits that I table annually. As it goes to my performance audit program, the only audit that I have at the moment is one looking at the long-term sustainability of local government. That is also an audit that is underway at the moment and I will be reporting on that later in this session; if you like, the second half of this year.

**Mrs MILLER:** Thank you very much. I have a follow-up question. You mentioned auditing local governments and their related parties. Does that include auditing local government companies at all, or could it?

**Mr Greaves:** Yes. The mandate that I have in local government extends to any entities that are controlled by local governments. So to the extent that a council has a controlled entity that is also a company, my financial audit mandate extends to that. I am also not precluded then or I can, if you like, extend my performance audit mandate to those controlled entities as well.

**Mrs MILLER:** Are those reports in relation to local government companies made public so that the ratepayers within those local government areas can view them?

**Mr Greaves:** There are two parts to the answer. As it goes to my mandate, I report on the results of those audits in my report on the results of financial statements of local government entities annually. The second question is whether or not those entities need to report publicly themselves. That is probably more a matter, I would suggest, for the local government minister. That would be a matter of policy.

**Mrs MILLER:** Thank you very much. I would also like your comment, please, in relation to technology and how the increases in technology are affecting your officers and their role in auditing state and local governments.

**Mr Greaves:** Once again there two parts to the answer to that. There is the impact of technology on my own audit practices and processes, then there is the impact of technology utilised by the financial statement clients and how that might impact on how I do audits. As it goes to the first part of that, which is how am I using technology, over the past year and in this next year I have invested significantly in what we call a data analytics capability and that has involved investing in both hardware, software and people who have skills around being able to acquire electronically the data that we routinely look at as part of our financial audits, aggregate that data, analyse that data and use it as a part of our financial statement auditing. That has been so far quite a successful strategy for us. We have improved, from my experience, the effectiveness and quality of our audits and we are also starting to see some savings in terms of the total audit effort. That is certainly an ongoing thing for my office, to keep investing in our own technology and the way we approach auditing.

The impact more broadly of technology on the public sector and those who deliver public services is also an issue because it changes the way that I do audits and it changes the risk profiles of those entities. We are particularly concerned about matters of cyber security and fraud and it is certainly something that we give consideration to in framing our performance audit program. I have an audit in my current strategic audit plan that will look at the security of what we call the SCADA systems, those systems that manage and maintain things like water infrastructure and other critical infrastructure assets, so it certainly does impact on what I audit and how I audit.

**Mrs MILLER:** Chair, I also have another question to the Auditor-General. Auditor-General, do you employ any forensic auditors?

**Mr Greaves:** To answer that question, I guess there is a specific designation called forensic auditor or forensic specialisation. I don't have anyone in my business, that I am aware of, who has a particular certification in forensic auditing, but it is certainly a part of the skill set that we look for in the auditors that we employ, because the audit and the forensic process are fairly closely correlated. I would suggest that the staff that I have have the skills around that.

Where I am getting into investigations that require, if you like, that forensic expertise, my approach at this stage is to bring that in through subject matter experts and to actually buy that into the business for a particular issue rather than retain it permanently within my organisation. But as we look to the future about how IT is going to impact my auditing, it is something I will give consideration to, as to whether or not I need to permanently employ people with forensic skills and knowledge.

**Mr PEGG:** I refer to page 58 of the Department of the Premier and Cabinet SDS where it states that the Queensland Museum will deliver the second World Science Festival Brisbane in 2017, calling it an iconic experience. Will the Premier outline details of how this year's inaugural festival was received and whether it ties in with the government's Advance Queensland agenda?

**Ms PALASZCZUK:** I thank the member very much for the question. Of course, the inaugural World Science Festival was held in March 2016 and was a major success. I would like to thank Professor Suzanne Miller and all of the staff at the Queensland Museum. I might ask Professor Suzanne Miller to come forward. I might get her to talk a little bit about that. What I might say in the meantime is that more than 120 people attended the festival's 90 events. At least once during the weekend there were some traffic jams. We were not quite sure how successful it was going to be, but it was oversubscribed, in fact. It was held over five days at the Museum, the Performing Arts Centre, Griffith University's Conservatorium and the Brisbane Convention and Exhibition Centre. There were a great number of speakers. We had Laureate Fellow Brian Schmidt, we had National Geographic Explorer-in-Residence Sylvia Earle. Sixty-six events were completely sold out. I might ask Professor Miller to update the committee on the success of the festival.

**Prof. Miller:** I thank the member for the question. We were indeed delighted by the results and the response to the World Science Festival, our inaugural festival, from 9 to 13 March this year. As the Premier mentioned, we had more than 120,000 attendees to the festival and over 94,000 of those attendees to free events which we were truly delighted about. We had 90 events with 124 performances and, as the Premier mentioned, 66 of those events were sellout events. Of those, 19 were world premier events and 33 were Australian premier events. The Queensland Museum and Science Centre on South Bank in fact saw its most visited day during the festival on Saturday, 12 March when we had more than 20,000 people through the campus on South Bank alone. I think our previous record was just over 11,000.

We were delighted with the economic impact of the festival. An independent economic impact study showed that over 35,000 visitor nights were directly attributable to the event, delivering over \$5 million worth of direct and indirect spend into the Queensland economy. We had more than 1,400 media stories associated with the five days of the festival delivering to an audience of over 28 million people worldwide, with an advertising space rate of over \$10 million across the five days of the event. We secured 25 partners, many of whom were new to the Queensland Museum network, who provided more than \$3 million in cash and in-kind support, together with the extraordinary support we received from the Queensland government across a number of departments. We were really delighted with the response to our audience feedback, many of whom—in fact, over 78 per cent of our audiences—said that it had a meaningful and long-lasting impact beyond the festival in terms of their awareness of and engagement with science, technology, engineering and maths. We are very much looking forward to encouraging more Queenslanders and more visitors to Queensland to build a global reputation as Brisbane being a city of science and Queensland being a state of science for the future.

**CHAIR:** Thank you. Could I hand over to the member for Clayfield. This is the last six minutes.

**Mr NICHOLLS:** Tremendous. I will make good use of it. Professor, while you are still here, there has been some funding invested in maintaining the state's collections and addressing critical maintenance, including the storage facility at Hendra which I am very keen to see and drive past fairly frequently. Is this investment enough to eradicate the storage issues that exist at the Queensland Museum or will there be further funding required in order to address the storage issues?

**Prof. Miller:** In fact, there are two tranches of funding within the government budget. One is directly related to our storage facility and our regional campuses. The government has invested over \$7 million over the next four years.

**Mr NICHOLLS:** Seven over four years?

**Prof. Miller:** Over four years—in our campus at Hendra, at the collections and research facility that you mentioned. We would be delighted to welcome you on a visit behind the scenes at any time. Also to upgrading and renewing some of our regional facilities at our Museum of Tropical Queensland in Townsville, at Cobb+Co national carriage museum in Toowoomba and the Ipswich Workshops Rail Museum. Those initiatives will all help address key critical maintenance issues which will help us

maintain the collections of the state but also increase access for the public and particularly regional Queenslanders to our collections. In addition, the government budget has also allocated funding through Arts Queensland for storage upgrade and maintenance at our site on South Bank and that is a significant investment which is already underway and will significantly enhance the storage of and access to the state collections at our campus on South Bank.

**Mr NICHOLLS:** Will it solve the problem or will it go a long way to solving the problem or will it go some way to solving the problem? I would like to see the whales out again, but there you go.

**Prof. Miller:** Absolutely. This goes a significant way to addressing the storage issues, but we also have received funding from the Queensland government over the next four years to build new galleries—to create new galleries across the network which will allow us to bring out more of our collections on public display which is a critical element of what we would like to do. So it does go a significant way to addressing the issues. Of course, with all the state collections of ours and across the statutory bodies, those collections always continue to increase. In fact, just this week, one of our scientists discovered a new spider up in North Queensland which we thought was lost to science and to the world 120 years ago. So our collections, even with small specimens, are always increasing. It is a continuing challenge for the state, but this funding does go a very significant way to addressing the situation that the museum has found itself in.

**Mr NICHOLLS:** Hopefully it is not the spider that breaks the museum's back.

**Prof. Miller:** No, we hope not.

**Mr NICHOLLS:** Premier, an arts question in the limited time available to us. The option for a privately funded theatre that formed part of the proposal by the Echo Destination Brisbane consortium, why was that not taken up given it was publicly advertised and disclosed to shareholders in the public disclosure documents of the consortium partners?

**Ms PALASZCZUK:** I thank the Leader of the Opposition for the question. I will make a few comments and then I will hand over to my director-general who was on the steering committee. I would like to let the committee know that I am advised by the project's chief executive, Dave Edwards, who was the State Development director-general under the LNP, when we came to office a theatre was not included in the proposal. I am advised by him that it was not included in the proposal. Both shortlisted proponents for the Queen's Wharf project proposed early underdeveloped contributions towards a theatre development within the precinct, however, there was no business case, no developed construction plans, no blueprints. There was no mature proposal put to the former government or this government for consideration. That is what I am advised. You may know something different but that is what I am advised. The South Bank arts precinct is the home of arts and theatre facilities in Brisbane.

My government has commissioned a \$1.3 million business case to determine the feasibility, optimal location, form and operating model for a 1,500-seat theatre and this report is due later this year. We are absolutely committed to delivering a second theatre and the business case will determine the best option of where this second theatre will be located. Ultimately the Queen's Wharf Brisbane project contract will deliver more than \$1 billion to the state which can be used for a range of projects, including a theatre. I might just ask the director-general to provide some additional information.

**Mr Stewart:** When I came into the process it was quite late. I can advise that the project's chief executive also indicated that in the early times, which I think was, as the Premier said, before the government took over, in essence the options that were provided by both consortia, Destination Brisbane and Greenland Crown, fell well short of the full cost of construction, were on the condition that the proponents manage and operate the programming and did not include any financial commitment to fund the ongoing costs of the theatre. Again I understand, on the advice I have been provided, that despite repeated requests neither proponent was able to provide sufficient certainty, particularly around the site, because I think they were talking generally in the South Bank area, nor were they able to provide advice on how much money would be provided and what the total cost of the project would be.

The other piece of information that I have been provided with was that there could be a potential impact on the profitability of QPAC due to the competition. Private operators may eat into the QPAC market. I want to reiterate what the Premier said: the view was that there was not a value-for-money proposition for the state government. Again, one of the things we are leading, working with Arts Queensland and Building Queensland, is the development of a business case for a new theatre. One of the discussions that we had early on with ballet, for example, was the opportunity for this new theatre to be the home of ballet. That is where we are. That is the advice that I have been provided.

**CHAIR:** The time allocation for the consideration of the proposed expenditure for the areas of responsibility administered by the Premier has now expired. On behalf of the committee, I thank the Premier and departmental officers for their cooperation. The committee has resolved that the answers to any questions taken on notice or additional information must be provided to the committee secretariat by 3 pm Friday, 22 July 2016. The committee has concluded its examination of matters relating to the Premier and related entities referred to it by the parliament. The committee will resume the examination of the proposed expenditure for the areas of responsibility administered by the Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport at 2 pm.

**Ms PALASZCZUK:** Chair, I thank you, the committee members, the Leader of the Opposition, my director-general and my chief of staff. It takes a lot of time and effort in terms of the work that is put into an estimates hearing. I know a lot of officers have worked extensively on this. I place on the public record my thanks to each and every one of them for their hard work and their dedication in serving the public. Once again, I thank the committee for the questioning.

**CHAIR:** Thank you, Premier.

**Proceedings suspended from 1.31 pm to 2 pm**



**ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—TREASURY,  
ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS AND SPORT****In Attendance**

Hon. CW Pitt, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport

Mr J Humphreys, Chief of Staff

**Queensland Treasury**

Mr J Murphy, Under Treasurer, Office of the Under Treasurer

Mr D Molloy, Acting Deputy Under Treasurer, Fiscal Group, Office of the Under Treasurer

Mr W Cannon, State Actuary

**Department of National Parks, Sport and Racing**

Mrs T O'Shea, Director-General


**QIC Limited**

Mr D Frawley, Chief Executive Officer

**Department of Aboriginal and Torres Strait Islander Partnerships**

Ms C O'Connor, Director-General

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 **CHAIR:** On behalf of the committee, I welcome the Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport, departmental officers and members of the public. I am Peter Russo, the member for Sunnybank and chair of the committee. Joining me on the committee are Mr Ray Stevens, the deputy chair and member for Mermaid Beach; Mr Lachlan Millar, the member for Gregory; Mrs Jo-Ann Miller, the member for Bundamba; Mr Duncan Pegg, the member for Stretton; and Mr Pat Weir, the member for Condamine. The committee has given leave to other members to participate in the hearing today. I welcome Mr Scott Emerson, the shadow treasurer, shadow minister for small business and member for Indooroopilly. I also acknowledge Rob Pyne, the member for Cairns.

The committee will now examine the Appropriation Bill 2016 and the estimates for the areas of responsibility administered by the Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport. The committee will consider the estimates for these portfolios until 5.15 pm. The committee will suspend proceedings for the following breaks: at 4 pm resuming at 4.15 and at 5.15 pm resuming at 5.30 pm.

The proceedings today are lawful proceedings and are subject to the standing rules and orders of the Queensland Parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208. In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing, in accordance with the media broadcasting rules. The committee's hearing is being broadcast live via the Parliamentary Services website and to receivers throughout the parliamentary precinct. Before we begin, I ask that all mobile phones be switched off or turned to silent mode. I remind you that no calls are to be taken inside the hearing room. For the benefit of Hansard, I ask advisers, if you are called to give an answer, to please state your name before speaking.

I now declare the proposed expenditure for the areas of responsibility administered by the Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Treasurer, the committee has resolved that you may make an opening statement of no more than five minutes. Do you wish to do so?

**Mr PITT:** Yes, I do, Chair. Firstly, I acknowledge that we meet on the land of Aboriginal people. I pay my respects to elders past and present. In this country, we are very fortunate to have two of the world's oldest continuing living cultures in Aboriginal and Torres Strait Islander people, whose lands,

winds and waters we all now share. Today I have with me the Under Treasurer, Mr Jim Murphy, and the Deputy Under Treasurer, Mr Dennis Molloy. Later we will have Ms Clare O'Connor, the Director-General of the Department of Aboriginal and Torres Strait Islander Partnerships, and Mrs Tamara O'Shea, the DG of the Department of National Parks, Sport and Racing. Other senior government officials will also be present. Also present will be the CEOs of the government owned corporations. With me also at the front table is my chief of staff, Mr Jason Humphreys.

The Palaszczuk government's second budget, which is being discussed today, sets out our clear economic plan that, of course, is focused on job-creating innovation, investment and infrastructure. It fosters innovation by accelerating our Advance Queensland strategy. It will attract investment from overseas and interstate, and give existing businesses opportunities to expand and to create jobs. We will continue building the infrastructure that our state needs to grow and to prosper. These priorities are all about one thing and that is job creation. It is part of our economic plan that addresses the challenges that we face as we transition to a post-mining boom economy. Forecasts are for global growth to be lower for longer. This is reflected in lower than expected royalties and state taxation revenue over the four years to 2018-19.

The total expected writedowns of \$4.7 billion compare with the \$10.5 billion in revenue writedowns in the four years to 2011-12 as a result of the global financial crisis and natural disasters. We have endured worse, but of course that is no excuse for complacency. Despite the writedowns, the whole-of-balance-sheet approach being taken in the budget means that we can deliver a forecast surplus of \$867 million in 2016-17, which now will be the largest surplus for a decade, moving to a forecast surplus of more than \$1.2 billion in 2017-18. In terms of the 2015-16 year, we expect a surplus of \$152 million, which is well down on earlier forecasts and almost entirely due to the federal government's unilateral decision to defer more than \$1 billion in natural disaster funding.

Our whole-of-balance-sheet approach means that we are able to improve services, build infrastructure, support home ownership, encourage employers to hire and help businesses to grow and create jobs. We have done all of that without the need for asset sales, which is something that the former government said could not be done. We have also been able to improve Queensland's competitive tax structure. As we promised, we have maintained the revenue policy settings as they stood prior to the election—the ones that the opposition now disowns—and have committed to not introducing new taxes, fees and charges that impact Queenslanders. Even without changes to those settings, we have managed to widen the gap on tax competitiveness in Queensland's favour. In the 2016-17 budget, taxes were reported to be \$766 lower per capita in Queensland than for the average of all states and territories. Now that all state and territory budgets have been released, that figure has risen to \$808 lower per capita than the average for other jurisdictions. This compares to a gap of \$495 in the 2012-13 budget, \$475 in 2013-14 and \$536 in 2014-15 under the LNP.

It is these competitive advantages that we will be promoting as part of our previously announced efforts to encourage interstate businesses to relocate here. The government will be actively promoting Queensland to interstate businesses that may wish to take advantage of our Industry Attraction Fund, announced in the budget, as well as other incentives. They include our competitive tax regime, low cost of living, relatively low property prices, high skilled labour workforce and our standard of living, services and infrastructure. All of these are attractive elements to regional Queensland as well, which is where we want to see new businesses settle, develop and expand. We said that we would be taking a proactive approach to business attraction and we mean it.

The budget continues our debt action plan, again without asset sales. I make no apologies for using part of the surplus of the defined benefit scheme according to actuarial advice, making best use of our financial assets to deliver jobs through infrastructure and pay down debt. Debt will be \$10.4 billion lower this year than it was forecast to be by now under the former government's 2014-15 budget. Our economic plan means Queensland's economy is strong and growing. This has been recognised by Deloitte Access Economics in its latest *Business Outlook*, which was released this week. It forecasts Queensland to be the leading growth state in the nation in 2016-17, ahead of Victoria and New South Wales in 2017-18. Deloitte says Queensland should grow faster than other states and territories from 2018-19 out to 2020-21. Their forecast trend is broadly aligned with forecasts by Queensland Treasury in the budget.

Our economic plan to grow our economy is working. We brought back the essential element of confidence in the economy and confidence in our future. That is shown in surveys and analyses such as the NAB monthly business survey, which has consistently put us in the top performers for the best of part of a year.

As Minister for Aboriginal and Torres Strait Islander Partnerships, I am proud of the government's commitment to ensuring full participation by Aboriginal and Torres Strait Islander people in Queensland's growing economic, social and cultural life. The word 'partnerships' is important. We are working in partnership with councils, elders and communities to ensure that we deliver the best outcomes. I am pleased to report a total of 1,021 jobs were delivered by DATSIP for people across the state, which is far more than the target of 400. We have listened to Aboriginal and Torres Strait Islander Queenslanders and we are providing reparations for stolen wages, with over \$5.26 million in payments to date and more than 2,600 claimants. Ministers will also be taking an active role in ATSI communities. Today I will be announcing a list of ministerial champions for individual communities across the state, giving each community a direct voice in the cabinet room. I am very proud to note that DATSIP is the first Queensland government department to achieve accreditation as a white ribbon workplace.

As Minister for Sport, I can say that the government recognises the importance of sport and recreation in their contribution to healthy lifestyles. Team sports, fitness and other recreational activities, health promotion and illness prevention measures will continue to be encouraged. We are committed to increasing participation in sport and active recreation at a grassroots level and also for women and girls.

I thank you for the opportunity to make an opening statement. I look forward to discussing the many positive initiatives within my portfolio responsibilities.

**CHAIR:** Thank you, Treasurer. I call the member for Indooroopilly to commence questioning.

**Mr EMERSON:** Thank you, Mr Chair. I only have two hours to question the Treasurer so I will cut to the chase and call the State Actuary. Thank you, Mr Cannon. I appreciate your appearance here today. I want to talk about the decision regarding the defined benefits scheme and what we call the \$4 billion raid on that scheme. How long would it normally take you to complete a triennial report?

**Mr Cannon:** Altogether, it would be quite a few months work. I have a fairly small team of myself and two assistants, if you like. They are actuarial students—

**Mr EMERSON:** You would have to be working pretty hard over those months to do that?

**Mr Cannon:** Yes, as a general rule. It is a fairly big project.

**Mr EMERSON:** You say it is a small team; how many people are involved?

**Mr Cannon:** I have two actuarial students who work with me.

**Mr EMERSON:** To do a triennial report, it is a pretty comprehensive process?

**Mr Cannon:** It is a substantial amount of work, I agree.

**Mr EMERSON:** The Under Treasurer wrote to you, asking you to complete a review in five weeks, if I recall. Does that seem fairly quick to undertake a review? He gave you five weeks. From memory, he wrote to you on the 22nd, asking you to complete it within five weeks. You have just mentioned to me that normally it would take several months, working pretty hard with your team. Five weeks seems like a pretty short period, then?

**Mr Cannon:** Indeed. As was noted in that letter—and obviously before this letter was written, there were some discussions between myself and the Under Treasurer, finding out what things were actually possible. The Under Treasurer noted that we were already well advanced on a very substantial component of the work. There has been a change in the APRA standards applying to the superannuation schemes that bring forward the reporting. Normally they used to be 12 months after the reporting date, which used to give us a lot more time. It takes some time to get the data from QSuper and to do the analysis; then bring forward to the nine-month period that applied to this one. You will note that I reported to the board by 31 March. That was a nine-month period and then it will move to six months for the next one, I note. That squeezes that time and makes it very difficult. Therefore, we have taken the analysis for the scheme experience. These are the things where we set all the assumptions with regard to retirement, withdrawal and those other sorts of things. We have taken that out of the triennial evaluation and brought it forward one year. This is not uncommon. The Commonwealth does it, for example. We had already virtually completed that, so that is why we were able to do it. If we had not been at that point, we would not have been able to do it.

**Mr EMERSON:** Mr Cannon, you mentioned the Under Treasurer had spoken to you about these things. What did he say to you? How did he explain the need to do this?

**Mr Cannon:** As noted in the letter that he sent to me, it was about having the fullest and latest information available for budget deliberations, as I understood it. I had already provided my interim valuation report, which is something that the Treasurer had undertaken to provide in the last budget. I provided that interim review—

**Mr EMERSON:** Given that you had already provided that report, why do you say that you needed this updated report; given that you had only just provided the report? In the previous budget, you had given a full report based on the fact of this stopping the contributions. The Under Treasurer rings you and says, 'Wayne, mate, I need this done quick; ASAP. You have five weeks.' Does he explain to you why he needed it so quickly?

**Mr Cannon:** I think it might be important to clarify the various types of reports. The interim report that was done was very deliberately called that. It did not undertake a full analysis. It was not to the standard that is required for a full triennial review. That was done very deliberately in that we did not have the time available and we had the triennial review upcoming. In particular, there were no recommendations made as a result. It was an update. That was the intent, as I understood it, from the Treasurer last year and that is what we produced. I produced that as at 30 June 2015. It was based on preliminary membership data and a number of other preliminary pieces of information. I produced that. That gave an update of the position as at 30 June 2015.

**Mr EMERSON:** Let me stop you there for a second. Let us come back to that report that you did provide.

**Mr Cannon:** The interim report?

**Mr EMERSON:** The 31 March report. It says on page 10 of the report—

Based on my assessment of the current projected funding of the scheme, I believe that a maximum surplus repatriation of \$2 billion represents an appropriate response.

You came to that conclusion why—that \$2 billion was a maximum response?

**Mr Cannon:** I will refer to the report for all the detail of the analysis. The first part of that was a recognition that we had reached a point at which some sort of more direct action with regard to the surplus was required. Up until that time the surplus in QSuper had been much smaller. That said, at the last triennial review, as at 30 June 2013, the accrued surplus, from memory, was almost \$6 billion. At that time I contemplated whether it had reached that point. There is no rule about this. It is a judgement call.

I felt at that time—and particularly because disturbing the contribution rates would have been the most likely method of adapting to this surplus position—that it was a difficult thing to do for a couple of reasons. Firstly, because of the impact on payroll systems and departmental budgets. Secondly, because of the alignment with the accumulation scheme. I discussed that in the report.

**Mr EMERSON:** Let me be clear in terms of the conversations and requests from the Under Treasurer. He requested you make a recommendation as part of that request going back. You have put forward \$2 billion. You said the earlier report did not have any recommendations. He has asked you to make a recommendation on what could be taken out and you have given that recommendation?

**Mr Cannon:** No, he did not ask me to make a recommendation as to what could be taken out.

**Mr EMERSON:** Why did you make a recommendation?

**Mr Cannon:** He asked me to bring forward the triennial valuation. That is a well-defined concept within the APRA regulation and indeed within QSuper's legislation. That was due to be undertaken as at 30 June 2016. He asked me to bring that forward to 30 June 2015. He provided no instruction whatsoever to me as to what should be done in that.

That said, he had the results of the interim report and he saw that interim report indicating a surplus at that time of around \$11 billion. It was clearly at a high level—much higher than had been observed in the past. He asked to bring that forward. There were no recommendations

**Mr EMERSON:** Just clarify that for me, Mr Cannon. You said it was at \$11 billion, did you say?

**Mr Cannon:** Yes, the interim review. That is from memory. I believe that is correct. That was the interim review which was conducted on the same financial assumptions that were done for 30 June 2013. It was just an update of that 30 June 2013 valuation, effectively, but brought to 2015. There was no full assessment.

As I said, it was \$11 billion at that time. The Under Treasurer, presumably in his role of advising the government on whole-of-balance-sheet matters, asked me to bring forward a review that actually considered recommendations because the recommendations from a triennial review are actually required by the professional standards that govern them.

**Mr EMERSON:** That would normally include taking funds away from the fund? Has that ever happened before? Obviously triennial reviews have occurred in the past. Has that occurred in the past?

**Mr Cannon:** No.

**Mr EMERSON:** Why did that not happen this time?

**Mr Cannon:** Simply because the surplus was so much bigger. There is no rule about these things. It is a matter of judgement. I would assert to you that if the surplus—and remember a surplus is over and above the amount deemed necessary to cover the liabilities—was \$100 billion or a trillion or something like that most people would agree that it is unreasonable to leave the money there. Once you accept that, then it is just a matter of judgement as to what the right level is. I did a considerable amount of analysis, as you probably read in the report, and came to a conclusion that, within my understanding of full funding at the time and my experience with the scheme and understanding of the risks around that, that \$2 billion was an appropriate response.

**Mr EMERSON:** You looked at the risks involving it and you felt that \$2 billion was the appropriate amount based on those risks.

**Mr Cannon:** Yes, in accordance with the framework that I operated in at that time, absolutely.

**Mr EMERSON:** Clarify that for me again. You came back with a recommendation saying, 'Based on the risks associated with this, the maximum to be taken out was \$2 billion.'?

**Mr Cannon:** Absolutely, that is in my report. The risks were all discussed there. That is my recommendation from that report in accordance with the framework that existed at that time.

**Mr EMERSON:** As we know, subsequently more money was taken out.

**Mr Cannon:** Indeed.

**Mr EMERSON:** Twice the amount of \$2 billion.

**Mr Cannon:** Sure.

**Mr EMERSON:** Let me go on to the letter from the Under Treasurer on 20 April. He wrote to you a follow-up letter asking you to provide modelling to raid as much as \$6 billion from the fund. In those conversations you had with the Under Treasurer—you obviously talk quite often—why did he indicate to you that he wanted you to come back and model for \$6 billion given you had written to him already saying very clearly, based on the risks and your judgement, your experience and your team looking at it, that \$2 billion was the maximum? What was the Under Treasurer's explanation around why he wanted you to model \$6 billion?

**Mr Cannon:** Nothing more than what was in his letter, I have to say.

**Mr EMERSON:** He rang you up and read out verbatim his letter?

**Mr Cannon:** Not exactly.

**Mr PEGG:** Point of order, Mr Chair. The member for Indooroopilly is repeatedly making inferences and imputations in breach of standing order 115. I ask you to rule his question out of order.

**Mr EMERSON:** Very clearly, Mr Chair, I am asking the State Actuary to clarify his comments. In fact, I am looking for clarity in terms of comments.

**CHAIR:** Perhaps the member for Indooroopilly—

**Mr PITT:** Can I make a comment?

**Mr EMERSON:** I will get to you shortly. Do not worry, you will get your chance.

**Mr PITT:** Just for clarity, I am trying to suggest that the member for Indooroopilly is asking a number of questions of the State Actuary about what the Under Treasurer was thinking. The Under Treasurer is sitting right next to the State Actuary. Has it occurred to you to ask him if you are looking for an opinion—

**CHAIR:** Member for Indooroopilly, just—

**Mr EMERSON:** I am asking the State Actuary what he recalls of what the Under Treasurer told him, not what the Under Treasurer remembers of what he told him.

**CHAIR:** Can I ask that you ask the State Actuary one question at a time for a start. In the last question you said, 'He phoned you up' when you were referring to a letter—

**Mr EMERSON:** Mr Chairman, he had indicated previously that they had had conversations.

**CHAIR:** Could you ask one question at a time.

**Mr EMERSON:** Certainly, Mr Chair. Did the state Under Treasurer ring you up at any time?

**Mr Cannon:** I honestly cannot remember the method of communication that was used. We do have discussions all the time in the corridor, by phone, by email—all sorts of methods. I honestly cannot remember. I would prefer not to attempt to answer that question. Did we have discussions about it prior to a letter just suddenly appearing on my doorstep? Absolutely. The Under Treasurer said he would like the table that was included in my report extended from \$4 billion up to \$6 billion. I have to agree with the Treasurer, I must admit I cannot opine on his motivation for that.

**Mr EMERSON:** He did not say to you why he wanted that?

**Mr Cannon:** No.

**Mr EMERSON:** Under Treasurer, why did you say to Mr Cannon that you wanted him to look at \$6 billion given he had made a very clear recommendation, and to quote what he just said a moment ago, that, after assessing all the risks, he recommended a maximum \$2 billion? Why did you contact him, have a discussion in the corridor or write to him and say, 'Why do you not model \$6 billion?'

**Mr Murphy:** There had been a number of discussions about the funding situation with the defined benefits scheme. Realistically, after reading the report I sought further clarification. What I was seeking was an extension of table 28, which is at page 47 of the report, to give me a better understanding of the assessment of risk in terms of assessments as to the fund. It was actually seeking more clarification as to how risk was determined in terms of the funding basis and the accounting basis.

**Mr EMERSON:** Mr Murphy, clarify for me. You wanted clarification. How much clearer could it be than when Mr Cannon says, 'I believe a maximum surplus repatriation is \$2 billion'? I think that is pretty clear, is it not?

**Mr Murphy:** No.

**Mr EMERSON:** Why not?

**Mr Murphy:** There had been long-going discussions with me, Mr Cannon and various other people who have knowledge of defined benefit schemes and have expertise in this area who were questioning the amount of overfunding in the scheme. Mr Cannon produced his triennial report, which was very helpful. At the same time, when I looked at it it seemed to me that this should be reassessed.

When I spoke to Mr Cannon the issue was that there had been little guidance given to the actuary by the government as to what they meant by fully funding as we set out in our fiscal principles. That is the fiscal principle. When I spoke to Mr Cannon he said, 'I take it to mean this and other people take it to mean various other things.' When I spoke to other senior people in government and in financial areas they said, 'Full funding can mean a myriad things. You really need to clarify what the government is seeking to achieve in that fiscal principle given that government wants to fully fund superannuation liabilities to defined benefit members.'

That led to the second letter to Mr Cannon, after we discussed it, where we said that realistically we want to minimise overfunding in the scheme. We said that overfunded should be minimised. That was totally different from the operation upon which Mr Cannon had been assessing the fund.

To give further guidance to the actuary, after discussion with him, it was agreed that we should in effect benchmark the defined benefits scheme with APRA, which is the prudential regulator for superannuation. They set out guidelines on defined benefits schemes. We said that that gives further guidance to the actuary so we asked the actuary to not only look at the overfunding of the scheme to make sure that overfunding was minimised but also look at the scheme in accordance with the spirit of the APRA funding requirements. That is the answer to why then looking at those two principles—that is a straight—

**Mr EMERSON:** Mr Murphy, I understand that. I would like to ask a question of Mr Cannon.

**Mr Murphy:** No, I would like to finish answering the question, Mr Emerson. After looking at those two principles, the actuary provided a further report which led to saying that potentially a repatriation—that is, repatriation means a return to the government of its money—could be taken up to \$5 billion.

**Mr EMERSON:** Mr Cannon, can you explain the difference between when you calculated and said no more than \$2 billion and then Mr Murphy said to you, 'Have a look at it under the APRA model'? How would you explain, in simple terms, what the difference is between the model that you looked at initially and the APRA model in terms of the risk profile?

**Mr Cannon:** The APRA standards are not a critical part of it and are not a critical part of the difference in the recommendations. What the APRA standards do is give a well-defined benchmark and a fairly robust process about how to handle situations where the experience of the scheme is not so favourable. That is one component of it. If anything, it is slightly more conservative than the strict funding measure that I was using in the past. You could argue that it is a slightly more conservative approach.

The key part was the minimisation of overfunding. I was making my original recommendation in my evaluation that I reported on 31 March based on my understanding of the scheme on its own—just the scheme; just looking at full funding of the scheme. I have the luxury of only worrying about that. The Under Treasurer and the Treasurer have to worry about the entire budget and the use of capital across all of the needs that the budget is subject to—

**Mr EMERSON:** Just clarify for me there. You said that the APRA standard was not the important thing it was more minimising the overfunding—

**Mr Cannon:** That was the key difference.

**Mr EMERSON:** The clear direction was really how we minimise the overfunding. You had recommended \$2 billion. Mr Murphy came back and said, 'Have a look at this standard with the clear direction about minimising that overfunding.'

**Mr Cannon:** To clarify, the letter of 22 May from the Under Treasurer had two aspects. One was minimise overfunding of the scheme and the second was utilise the spirit of the APRA funding standards for making assessments of the funding position and also, importantly, how to act on those funding positions when the situations change.

**Mr EMERSON:** You mentioned before that there had never been a recommendation previously, because of the state of the fund?

**Mr Cannon:** Yes.

**Mr EMERSON:** Why had you never looked at it previously based on the APRA funding model?

**Mr Cannon:** Firstly, because it does not apply to us. That is the main reason.

**Mr EMERSON:** Sorry, can you clarify that?

**Mr Cannon:** It doesn't apply.

**Mr EMERSON:** Can you clarify that? The APRA model does not apply to you?

**Mr Cannon:** It is worth being careful about this, I agree. There are a number of prudential standards that APRA promulgate for regulated superannuation funds and they all apply to QSuper, so I need to be a bit more careful with my wording. The relevant one for defined benefits schemes is SPS, Superannuation Prudential Standard, 160. It applies to QSuper absolutely. However, for so-called unfunded public sector superannuation schemes, of which QSuper technically is because the money that is held in the employer fund actually is not within the trust, not like a private sector scheme, the requirements are much, much less. There is a different reporting requirement. You do not have the same requirements for funding insolvency et cetera. Whilst SPS 160 in its entirety does apply, for an unfunded public sector scheme these aspects do not. We did not have to use them in the past and there was no need to. We were funding more on a longer term basis.

**Mr EMERSON:** Again, just to clarify what you said earlier, it was not really about the APRA model as such. It is really about making sure that it is getting as much of the surplus as possible out of the fund. Sorry, Mr Murphy, are you having a conversation? Am I part of that at all?

**Mr Murphy:** No. I am clarifying something that Wayne might wish to say.

**Mr Cannon:** I am trying to explain the difference, if you like, between the two figures. Absolutely the key part of that is the minimisation of overfunding. It is, if you like, a different stance on the amount of surplus—as I said, surplus; more than is required—how much should you carry within the scheme. I made a judgement that you should be carrying around \$8 billion effectively by only allowing \$2 billion from the \$10 billion. That was the implication of that. As I said, that was in that more narrow space. In the broader space that the government have to worry about—much wider than my little pond—they made a judgement that they had better uses for some of that capital.

**Mr EMERSON:** Can I suggest the public servants' superannuation fund—

**CHAIR:** It is time for government members' questions now. Time has expired.

**Mr EMERSON:** Can I suggest that public servants are actually more concerned about it?

**CHAIR:** Time has expired, member for Indooroopilly.

**Mr PEGG:** I refer to pages 53 and 54 of Budget Paper No. 2. Can the Treasurer advise of any public comment from the CEO of QSuper about the government's decision to undertake the surplus repatriation from the defined benefits scheme?

**Mr PITT:** I thank the member for the question. I welcome the committee's interest in this aspect of the budget. Certainly that has already been expressed by the member for Indooroopilly. The defined benefits scheme of course, as we know, is a voluntary reserve held by the government to meet the defined benefits scheme liabilities. It is actually a reserve. It is not a superannuation fund in that sense. It is important to note that no other state has this type of reserve. No money is being taken from QSuper. The decision to repatriate \$4 billion from this scheme, this reserve, will have no impact on members of the DB scheme.

I can safely announce that the approach we have taken, as you have already heard from the State Actuary, is in accordance with his advice. I know there will be many more questions asked by the member for Indooroopilly. In terms of the way I operate, I certainly look at the most recent and relevant advice in making my decisions. That is exactly what I have done as Treasurer, working with the Queensland Treasury to frame this budget.

We know that this defined benefits scheme has been closed to new members since 2008. It has an added protection that all entitlements are guaranteed to be paid by legislation. It is not just the government that is saying this. We have seen a fair bit of misinformation peddled by the opposition. This started last year when we suspended employer contributions. That has then moved forward into post this budget as we have had this topic of conversation continue to be raised.

The independent QSuper issued a press release and advised its members on 14 June, budget day, about what has been happening. This is perhaps the most instructive, and I would like to quote statements made by the CEO of QSuper, Michael Pennisi, on budget day. He stated—

"It's important to note that no money is being taken out of QSuper.

"The repatriation of funds announced in the Queensland Budget are funds that belong to the Queensland Government. This money sits in a voluntary reserve which was set up and supported by successive Governments to meet the Government's Defined Benefit liabilities. "Queensland is the only State that has set aside reserves such as this, and it currently has more funds than is needed to meet its liabilities.

...

"The decision to use some of the surplus in the reserve is a decision of the Queensland Government.

"It does not and will not affect our members' entitlements, as they are protected by State and Federal laws."

I note that the former CEO of QSuper, Rosemary Vilgan, has similarly said that she supports 'the government giving proper consideration of how to fund debts and infrastructure,' and that 'The money sits outside the super fund. They're in a government reserve. They're entirely the property of the government.'

It is time for the opposition to stop scaring public servants. That is the thrust of my response to your question. They tried to do this last year. What they must do is tell Queenslanders what the alternative is because they have made it quite clear that they do not follow this. I am sure I will have many opportunities to respond to the member for Indooroopilly. If, though, there is this continued opposition to the repatriation of funds from this, the surplus funds, which are in fact overcontributions, it follows that they oppose the State Infrastructure Fund, which we know is part of over \$10 billion of capital works that are being put into the 2016-17 year. We believe that we have also been able to reduce debt by \$10.4 billion since we have come to office. We are able to achieve that through our debt action plan of which this is a significant component. That is the answer to your question in terms of any comments provided.

**CHAIR:** Following on from the previous question and referencing pages 53 and 54 of Budget Paper No. 2, can the Treasurer explain the whole-of-balance sheet reform as part of the government's economic plan?

**Mr PITT:** Yes. I thank the chair for the question. Before the last election Queenslanders told us—they were told by the former government actually—that there were only three choices. They were told that they had to either raise taxes, make cuts to services and staff, or sell assets. This budget shows, as did the previous budget, that there is another way, a better way, to achieve a surplus, to pay down debt and to grow our economy.

**Mr EMERSON:** By raiding super.

**Mr PITT:** I am responding to the member's question.



**CHAIR:** Member for Indooroopilly, please do not interrupt the Treasurer when he is answering the question.

**Mr PITT:** The Palaszczuk government has a very clear economic plan, which is set out in the 2016-17 budget. That is taking the whole-of-balance sheet approach. Following the review of state finances in 2015 which I handed down with the budget last year, a number of potential improvements in the state's balance sheet management were highlighted. Previously the general government sector had effectively been borrowing to invest in equity in GOCs above required levels, to invest in financial assets that were being set aside to meet a future liability for long service leave and to make additional contributions to an overfunded defined benefits scheme. What we saw was a scare campaign initiated last year by the LNP in relation to those balance sheet measures. Of course the following 12-months proved them wrong. More than 3,000 public servants, defined benefit members, retired and every one of them received their entitlements. Many thousand more took long service and guess what? Every one of them had that long service leave paid, as it has always been.

The debt action plan, implemented in the 2015-16 budget, enhanced our general government balance sheet by improving the equity performance of GOCs through optimising capital structures and using the regearing proceeds to reduce general government sector debt by deploying financial assets that were invested in markets external to Queensland towards reducing Queensland debt and related interest costs. Further enhancements to the state's balance sheet management were announced in this year's budget. Of course that includes the repatriation of the \$4 billion of the overfunded defined benefits scheme. Members would be aware that half of that \$4 billion will be used for debt pay down and half will be used to fund our State Infrastructure Fund.

Our economic plan is about making the right decisions for Queensland as it transitions to a more diversified economy. We already have a significantly diversified economy, but this is about delivering debt reduction at the same time as productivity-enhancing investment. Additional balance sheet measures will include improvements to the management of surplus cash held in the government owned corporations which will instead be made available to the state to further reduce general government sector debt. Importantly, this is the debt that we pay interest on—the debt that is most exposed for Queensland taxpayers. This initiative builds on our GOC regearing strategy that I announced last year.

We promised Queenslanders that we would not sell these revenue-generating assets. This is a promise that we will keep. We have an obligation to ensure that our GOCs operate effectively and efficiently and work hard for Queenslanders. They operate as commercially as possible, and that is what we have also instructed them to do. It is through these measures, as part of our whole-of-balance sheet approach that there is a viable alternative to selling assets in Queensland. Unfortunately, these initiatives have all been opposed by the opposition which begs the question as to what their alternative plan is.

**Mrs MILLER:** Treasurer, I refer to page 3 of the SDS. I am going to take us down a different line of questioning now—back to the ordinary, struggling worker in the Bundamba electorate who has very little in superannuation. Treasurer, people are doing it very, very tough in my electorate. They are finding it very hard to pay for rates, water, electricity, petrol et cetera. They have asked me to ask you in particular what they can do to make these burdens, these fixed cost burdens, easier on them. In particular, they have asked me to ask you whether or not it may be possible, or whether you could discuss this with the relevant minister, that they be able to pay their car registration bill on a monthly basis, which is how they pay their car insurance bills.

**Mr PITT:** I thank the honourable member for the question. It is not the first time we have had a conversation about people in the Bundamba electorate and cost-of-living issues. I recognise that those conversations always finish with, 'I'm always working for my people.' I remember that.

In terms of government concessions, I might respond broadly, if that is okay, and then come to answer your question. We provide a range of concessions right across the budget to assist Queenslanders with cost of living. In addition to targeted discounts, rebates, subsidies for individuals or families based on the eligibility criteria, there are a range of those which look at age, income, special needs and disadvantage. Broader concessional arrangements are in place to reduce the price paid by all consumers in certain areas such as transport, electricity and water. There are a range of things as we go forward.

One thing I will say is that obviously I can have an opinion, if you like—I will be a bit careful—about what should happen in terms of things that are outside of my portfolio responsibilities. Whilst I am very aware that as Treasurer we collect the revenue from car registration, the settings that are in

place there are the responsibility of another minister and we would need to have those conversations. Of course the member would be aware that we commenced the option of having registration being paid quarterly. That has been a significant improvement as to what we have seen previously. I think your point is well made. I am happy to have a conversation, but I cannot give you any commitments today that that position will change.

I would say though that, for those members of your community who rely on public transport, you would be very aware with the review we have done to fares in South-East Queensland that there are going to be many positive impacts that will come from that fare review. That was a very important area that we think was largely ignored under the previous government in terms of the overall fare relief in public transport. Whilst they had some schemes in place, it was clear that they were not affecting everyone equally and were not giving the fairest approach across all zones. When I look at the map of zones for transport in South-East Queensland, being from Far North Queensland I see something that looks like a map from the Bureau of Meteorology. It looks like a cyclone map with 23 zones. Thankfully that will be collapsed down to eight zones as a result of this fare review. That means that fares for all zones are going to be slashed, so that will be a good outcome.

Under the new fare arrangements, a trip on public transport from Bundamba station to the Brisbane CBD that was previously a six-zone trip will now be a three-zone trip. There will be savings that we will see there. For that trip, for a person travelling from Bundamba station to the Brisbane CBD for work each day, the adult go card will be reduced from \$6.69 to \$5.96 for a single trip in peak hour. Obviously the dollars and cents for the individual are not slashed in half, but clearly the cumulative effect of that over a year will be substantial in terms of the benefit to individuals.

I think it is very important that weekends are fun time for kids. This is recognised in the fare review. Children under the age of 15 will be able to travel free on weekends on a child go card. Seniors and pensioners—and there will be a number of them in your electorate—will retain the 'One, Two, Free' travel. The government will be scrapping the '9 and Free'. It is being replaced with eight paid journeys and 50 per cent off subsequent journeys for the week to deliver higher travel savings for more customers.

In terms of other concessions, we are providing a rebate of up to \$330 per annum to assist with the cost of domestic electricity supply to the home of eligible card holders—those with pension cards, Queensland seniors cards, as well as the Department of Veterans' Affairs Gold Card, the war widow/er pension or special rate, or TPI pension. Those things are also flowing through in the budget. The other element I thought might be of interest for Bundamba constituents relates to the Home Energy Emergency Assistance Scheme. This scheme provides one-off emergency assistance of up to \$720 per annum for a maximum of two consecutive years to assist low-income households experiencing a short-term financial crisis who are unable to pay their current electricity or reticulated natural gas account.

There will be people who will fall on hard times, and this recognises that. Hopefully, there are some things there that may assist some of your constituents. We know that cost of living is an issue that affects all Queenslanders and everyone is very interested in it. I have said on a number of occasions, particularly when it comes to electricity, you have to be very careful not to overpromise and underdeliver. We saw that with the promise of \$120 a year savings by the previous government and what we saw was a rise of more than \$400. We recognise that it is a pressure point for families and households, but there is no point telling people you are going to do something if you cannot actually deliver it.

**Mr PEGG:** As mentioned in the Treasurer's opening statement and with reference to budget paper 2, page 25, can the Treasurer update the committee on the Palaszczuk government's economic plan to advance Queensland's economy?

**Mr PITT:** As I said in the opening statement, I made the point of talking about the three I's—investment, innovation and infrastructure—and those are all about creating jobs. By fostering innovation, we are building on our traditional strengths and creating high-value jobs of the future. When we talk about Advance Queensland, we are not just talking about the next three years; we are talking about the next three decades. In doing that, we recognise that in the shorter term we have to look at those traditional areas of strength—those that are performing well for us now such as agriculture, making sure we are focusing on agribusiness, making sure that people on the land and farmers have the technology they need to do things remotely, applying the internet to do remote engineering solutions. We recognise those things.

Of course we are trying to attract businesses interstate and from overseas. That is a combination of the work that I do, the work of the Deputy Premier as the Minister for Trade and Investment and the work of the Minister for State Development, Anthony Lynham. What we are doing is investing in infrastructure in this budget. It has to be about creating economic activity while addressing major productivity blockers such as road and rail bottlenecks. These are important areas that Queenslanders expect us to look at. We are very single minded in terms of our job creation strategy. We know there are many conditions that we will need to come up against. As I say, this budget has been framed in a soft global outlook and a soft national outlook in terms of both the global economy and the national economy. These challenges are highlighted in the budget but also the opportunities are there.

Since budget day we have had Brexit, we have had rising tensions in the South China Sea, we have had an aborted coup in Turkey and all of this leads to further uncertainty. In the longer term, global demographics and social trends—the ageing population, technological change, the continued growth of emerging markets in the world economy—will continue to provide challenges and opportunities for us. What we need to do is be there and be prepared to act at the right time. They are the sorts of decisions that you are seeing in this budget, responding to the times essentially.

We are on track to rise above this uncertainty, to embrace change with the measures that I have talked about already. As I say, we will be capitalising on those traditional areas of strength as well as looking at future opportunities into the growing Asian middle class and what they are seeking from our state. Our ongoing focus on innovation, investment and infrastructure will help position our businesses and communities to do the same. Because we do have such a strong growth rate which has a very significant export component to it, we recognise that the domestic economy is where we need to focus a lot of our attentions, particularly into regional Queensland, and Queenslanders need to feel that uplift. We need to share that growth across as many parts of the Queensland economy as possible.

The framework outlined in the 2016-17 state budget highlights six key policy channels through which the government is helping to grow businesses and improve employment opportunities for Queenslanders. We are advancing innovation through the \$405 million accelerating Advance Queensland strategy, which targets growth industries like biofuels. To facilitate investment we are promoting business growth through the \$40 million Industry Attraction Fund, which is aimed at bringing businesses from overseas and interstate, as well as some components for already existing Queensland businesses.

We have our connecting with Asia tourism strategy, a \$33.5 million fund that we are providing to tap into what is a significant area of growth with the Australian dollar performing well comparatively. That means we are seeing significant numbers and significant rises in visitor spend. Those things are all very strong.

The other component I should touch on which relates directly to our connecting with Asia strategy is the \$25-plus million which is going to attract more international students to Queensland. This is a key area, because we know that it is not just about getting the export that is attracting these students. It is about having these students be essentially lifelong ambassadors for the state of Queensland. As they graduate from our institutions and go back to their home country, they will be making potentially investment decisions either personally or on behalf of funds or their employers, and we expect that that will help position us very well in terms of our interstate peers.

In short, the economic plan works to do a number of things, but it all comes back to that important area of finding the right decisions at the right time to help grow our economy and help manage this transition, which is transitioning to a post mining boom economy in Queensland.

**CHAIR:** I hand back to the member for Indooroopilly.

**Mr EMERSON:** My question is to the Treasurer. Treasurer, you did detail at length international uncertainties such as Brexit, South China Sea and Turkey. You mentioned quite a few there. Do you think any of those will have an impact on the returns of the super scheme moving forward?

**Mr PITT:** I thank the member for Indooroopilly for his question. I think what is important to look at is the returns that we will get from the scheme. I know the member has been in the media in recent weeks—almost a week after Brexit but never late than never. It was good to see there was a conversation about what potential impacts there could be on the scheme—

**Mr EMERSON:** I think it took a week to get the answer from you, Treasurer. I think the reality was that you would not answer the question from the media.

**Mr PITT:** I did a press conference the same day you raised the issue.

**Mr EMERSON:** I did not raise the issue; it was in the media. You were quoted in the *Brisbane Times*.

**CHAIR:** Member for Indooroopilly!

**Mr EMERSON:** He is misleading the committee, Mr Chair.

**Mr PITT:** I am sorry; did you say I was misleading the committee?

**Mr EMERSON:** Yes, I think so.

**Mr PITT:** I take offence to that, Mr Chair. In no way am I misleading the committee.

**CHAIR:** The member for Indooroopilly I ask you to withdraw your comment that the Treasurer was misleading the committee. The Treasurer finds it personally offensive and I ask you to withdraw.

**Mr EMERSON:** I withdraw. I think you are referring to me.

**Mr PITT:** I understand. There are a few things I will talk about here. We have seen the Dow rallying strongly. Five of the last six trading sessions of the S&P 500 have had record returns. I mention this because all of the work that might have been undone as a result of Brexit has been essentially corrected in the global market. I mention this because I am not going to be providing a weekly commentary on what is happening with the Defined Benefit Scheme, nor would I suggest would QIC as the fund manager for our investments. You do not provide that because if you based it on the last six sessions of the S&P 500 you would think that this is going to continue to see record returns. The point—

**Mr EMERSON:** Treasurer, the question I asked you was—

**Mr PITT:** I am answering your question, if you allow me to answer your question.

**CHAIR:** I remind the member for Indooroopilly that the Treasurer can answer the question in any way he chooses.

**Mr EMERSON:** All I ask is that he answer the question.

**CHAIR:** Can I ask you to stop interjecting, allow him to answer the question and if you have a further question you can ask that after he has answered?

**Mr PITT:** If the member would have waited a few more minutes, I was getting to the nub of his question, and that is that we look at the investment strategy for not only the Defined Benefit Scheme but also a range of investments we make on behalf of the state with a long-term view. In terms of what is a long-term view, when you look at the Defined Benefit Scheme, for example, it is expected that the last person will exit that scheme by around 2035 so that gives us roughly a 20-year investment window. We are not talking about what is happening tomorrow or next week; we are talking about the long-term investment.

When you look at the previous success of the fund, for example, since the fund's inception, on average it has achieved a return of eight per cent. No-one is suggesting that we are going to consistently see eight per cent each year, but that is the long-run average of what we have seen as returns. That includes previous opportunities or challenges that we have seen with dips such as the global financial crisis. I draw the member's attention to the fact that that is the long-run rate of return.

The actuary based his calculations, as I understand it, when looking at the \$5 billion repatriation figure on adjusting down from what has been the previous standard, which was seven per cent and looking now at even six per cent. The actuary is being more conservative than what we have looked at as the long-run rate of return in the past. In doing that, that is where we have landed with the six per cent figure for the \$5 billion. The member would be aware that we have not taken the opportunity to repatriate \$5 billion. We have repatriated \$4 billion as part of the budget. The actuary has had a more conservative view of the rate of return, has built in a buffer as a result, and we have not taken the full amount that he has suggested in his most recent advice to government.

The point I would make to the member is that we are being prudent. We are basing our decisions on advice, and we are doing that in a way to ensure that we will continue to maintain this fully funded status in accordance with actuarial advice which is in step with the fiscal principle that we have announced.

For the member's benefit, when you look at the approach of a fully funded scheme and the definitions that we are trying to now shape around this—because it is the first time that this has been done, so it is important we have an approach which cannot only be used in this budget context with this latest report but going across the next 20 or so years of this fund if it remains intact for that long—the full amount based on the APRA funding guidelines for the fund was 138 per cent fully funded. Based on the advice provided by the State Actuary, we have seen a fully funded status at the \$5 billion

repatriation of 110 per cent fully funded. We did not take the \$5 billion. We repatriated \$4 billion—again taking a more conservative and prudent approach. That, by my understanding, leaves us at about 114 to 115 per cent fully funded based on these standards.

My response to the member is that QIC is our fund manager. They have a very solid reputation for providing returns not just for this fund but also for a range of funds that they manage on behalf of the government, and we will continue to listen to them in terms of their advice. They have an investment mandate from the government which they are adhering to. We will continue to listen to advice from the State Actuary, and in doing so we will be as responsible and conservative as we can be because we value the fact that this fund is unique. I am not aware of any other government in the world that has its liabilities fully funded like we do in this scheme let alone having it in surplus.

In terms of any questions about this being done for the first time, there is a hint of irony there because most other jurisdictions, particularly in Australia, are not in the position to make these kinds of decisions. In fact, they do not have fully funded status for their long-term liabilities. I think it is really important to put this into perspective. You can discuss potential risk, and we have taken advice as to how we have applied these measures across the budget. It is very important to note that, if it was coming close to not being fully funded, we would still be better off to the tune of more than \$24 billion than every other jurisdiction in Australia.

This fund is seen as a key area of strength for our government. That is why successive governments have continued to maintain a fiscal principle to have a fully funded status. Why we now have enhanced clarity around what that fully funded status looks like is for the very reason that this is the first time we have seen this repatriation. There are examples which the Under Treasurer mentioned earlier about what happens with corporate defined benefit schemes, which is what we are looking at with the APRA standards—

**Mr EMERSON:** Mr Chair, while I appreciate the history lesson from the Treasurer, I might move on to another question if that is possible.

**Mr PITT:** I thought I would take the opportunity today to enlighten you because I have seen some comments in the media which appear to show a lack of understanding of the fund and the way it is constructed. I am trying to ensure that the member has the full understanding of that.

**Mr EMERSON:** I appreciate that greatly, Treasurer. I might ask a question now of the State Actuary. The Treasurer keeps mentioning the word 'advice'. I noticed in the earlier report you made a recommendation. Did you make a recommendation of the \$4 billion?

**Mr Cannon:** No.

**Mr EMERSON:** You did not make a recommendation?

**Mr Cannon:** No, I did not. That is a deliberate thing. These assets—if I can be simple about it—are not mine; the current government is the custodian of these assets and needs to make judgements as to how those assets should be managed and to take the key decisions in regard to them. I do not make those decisions, but I make recommendations within the framework—sorry, I should say I give advice as to the consequences of the framework that has been provided before me and the risks that are attached to those. You might ask: why did I make a recommendation in my 31 March report perhaps, if I can anticipate that question? That is because the professional standards that apply to triennial reviews, of which that was one, require such a recommendation, so I did.

**Mr EMERSON:** Let me clarify that. In the first report you made a recommendation of \$2 billion, but later on, to use the Treasurer's words, you gave an advice in terms of if they took this amount of money out these are the consequences. Is that correct?

**Mr Cannon:** Yes, that is correct.

**Mr EMERSON:** The advice was that if you take \$5 billion out, these are the consequences; if you take \$4 billion out, these are the consequences. However, nowhere in the report—and let's be very clear about this—did you recommend \$4 billion?

**Mr Cannon:** No, that is absolutely correct. The advice is on the record that—

**Mr EMERSON:** I think public servants listening to this would be concerned now, Mr Cannon. You have just made a recommendation—

**Mr PITT:** Why would they be concerned?

**Mr PEGG:** Point of order. The member for Indooroopilly is once again making inferences and imputations in contravention of standing order 115. I ask you to rule that question out of order.

**Mr EMERSON:** It was not a question; it was a statement.

**CHAIR:** It was a statement that is out of order.

**Mr PITT:** It was an incorrect statement.

**CHAIR:** Member for Indooroopilly, could you please ask the question and refrain from making statements?

**Mr EMERSON:** Mr Cannon, coming back to what the Treasurer said a moment ago that you gave advice that if you take \$4 billion out, these are the consequences of that advice. However, you did not make a recommendation. You clearly did not make a recommendation in terms of that \$4 billion; you only recommended—going back to your earlier letter—a maximum of \$2 billion. That was your earlier recommendation. The Treasurer indicated earlier that the modelling used is based on a six per cent return. Is that correct?

**Mr Cannon:** That is correct.

**Mr EMERSON:** What was the return in 2015-16 on the fund?

**Mr Cannon:** The 2015-16 return? I do not know if it is actually finalised yet, but I have been advised that there are preliminary estimates of around four per cent.

**Mr EMERSON:** Four per cent. In fact, the six per cent return would be 50 per cent more than what you got in that year?

**Mr Cannon:** I would prefer to say two per cent higher.

**Mr EMERSON:** I am sure you do, but the reality is—is it correct to say that the return that you based those figures on is 50 per cent more than what the actual return was in the last fiscal year?

**Mr Cannon:** Sure—

**Mr EMERSON:** Sorry, Mr Cannon, just be very clear. Is that correct what I have just said, that what you forecast was 50 per cent more than what the return was in the last 12 months?

**Mr Cannon:** The assumption that I make in a valuation report and for the calculation of the funding liabilities is the long-term investment return over the duration of those liabilities.

**Mr EMERSON:** I understand, Mr Cannon.

**Mr Cannon:** It is a very important point.

**CHAIR:** Could the member for Indooroopilly allow the State Actuary to answer the question, please, and stop interjecting?

**Mr Cannon:** I am going here because I think it is a very important point. It is six per cent not every single year, but six per cent over the duration of the liabilities. The Treasurer mentioned earlier that over past history of the QSuper defined benefit arrangements the return has been a little over eight per cent, and it varies from year to year. Just having some numbers to hand, it was 7.4 last year—higher than six—18 per cent the year before, 11 per cent the year before and around eight the year before that. Returns are higher and returns are lower. Over the GFC period we had a negative return in that year.

**Mr EMERSON:** Just let me clarify, Mr Cannon, where possible—

**Mr Cannon:** The idea is we are targeting an average return over the duration of the liabilities. In any individual year we will get returns higher, we will get returns lower. When I see one year lower than the six per cent assumption I do not panic, nor would I rejoice for joy if it was two per cent higher, either.

**Mr EMERSON:** Thank you, Mr Cannon. You have mentioned returns of 11 per cent, 7½ per cent and 18 per cent in recent years. Let me just point and table for the sake of the committee—and I have some copies here to be tabled—

**Mr PITT:** I think the member needs to seek leave.

**Mr EMERSON:** I seek the permission of the chair to table this article, please, from the *Courier-Mail*.

**CHAIR:** Is leave granted? Leave is granted.

**Mr EMERSON:** The article is from today's *Courier-Mail*, and I am looking online. The headline online said 'Super plunder turns into super blunder'.

**Mr PITT:** Can I clarify that it is not simply an article. It is not a news article; it is an opinion piece. I think it is very important that that be noted.

**Mr EMERSON:** That is fine, Mr Treasurer. I notice that you quoted from a number of people previously. The article—the opinion piece—

**Mr PITT:** They were not opinion pieces; they were part of a news report.

**Mr EMERSON:**—is by Alex Malley who was the Chief Executive of CPA Australia. I do point out that in that article, about a third of the way down, it states that Ian Silk from AustralianSuper warned his members recently of low returns. Given, Mr Cannon, you have mentioned that previously there have been quite high returns, but in the last 12 months we have seen four per cent, which is half of what the average has been over many years—in fact, your figure on which you calculated the figures—

**CHAIR:** Member for Indooroopilly, is there a question?

**Mr EMERSON:** There will be a question, Mr Chair. Just keep with me here if that is possible.

**CHAIR:** Could you ask the question and not make a speech. I kindly ask you to get to the point.

**Mr EMERSON:** Thank you, Mr Chair. Again, referring to what Ian Silk said, given the fact that your calculations are based on a 50 per cent higher return than was achieved in the last 12 months, if the returns that you received these last 12 months are replicated how much lower would that surplus be going forward? I give you a hint on this one; the bond rate that the figure is based on for the other one is a bit below four as well.

**Mr Cannon:** So you are asking me to recalculate—

**Mr EMERSON:** Based on the returns of the last 12 months roughly.

**Mr Cannon:**—the basis as if four per cent is the return forever going forward?

**Mr EMERSON:** Yes.

**Mr Cannon:** I must admit that is asking for a little bit too much on the fly, but let me give you some useful context perhaps.

**CHAIR:** Can I just—

**Mr Cannon:** I can respond in regards to another number which will be quite helpful to this.

**Mr EMERSON:** Sure, thank you, Mr Cannon. I am happy for you to respond in any way you choose.

**Mr Cannon:** I am happy to respond, Chair. It is up to you.

**CHAIR:** He has told you that you can respond in any way you choose, so I would take that opportunity.

**Mr Cannon:** If that number was to be lower, to get some idea of what that number might look like, you can look at the results on the accounting basis, which I included in my report.

**Mr EMERSON:** I think that is based on the bond rate, is it not?

**Mr Cannon:** Yes, it is and it is for other purposes.

**Mr EMERSON:** The bond rate at the moment is?

**CHAIR:** Can I remind the member for Indooroopilly to stop interjecting because we will get the answer. Let the State Actuary answer the question, please.

**Mr Cannon:** That number was given in my report. From memory, I am going to say \$3½ billion. At a four per cent discount rate it would obviously be a higher surplus than that. The point I would like to make with that is that if I was to promulgate an actuarial basis with a four per cent return, I doubt I would be considered in line with common actuarial practice within the country. I have had commentary provided on my basis selections by a number of actuaries personally and even in the press. I am very comfortable with the assumption that I have made and I believe it to be consistent with standard practice.

**Mr EMERSON:** You have indicated that roughly on a four per cent—which is a little bit more than the bond rate at the moment. Even on that bond rate you would have about—3.6 I think was the figure you just mentioned, was it?

**Mr Cannon:** As at 15, I think it was 3.4.

**Mr EMERSON:** \$3.4 billion.

**Mr Cannon:** Let's call it 3½, somewhere around there.

**Mr EMERSON:** That was based on the figures going forward. If you actually took the \$4 billion off that, what would the result be?

**Mr PITT:** That is a hypothetical question.

**Mr PEGG:** Point of order. The member for Indooroopilly is once again asking a hypothetical question in contravention of standing order 115. I ask you to rule it out of order.

**CHAIR:** I rule the question out of order and ask the member for Indooroopilly to move on to his next question or rephrase the question.

**Mr EMERSON:** Mr Chair, all I am asking for is all these calculations—in fact, the \$10 billion figure mentioned by Mr Cannon is a hypothetical figure based on assumptions. Given the fact that he has already worked out a calculation—

**CHAIR:** Member for Indooroopilly, may I remind you that you are here with leave of the committee. Leave may be withdrawn at any stage. Please ask a question and try to respond without interruption.

**Mr EMERSON:** Mr Cannon, if the return was based on the rate of the bond rate, which you have already calculated, a return of \$3.4 billion going forward, and the government had taken that \$4 billion out; if that is the return you will get moving forward, what would the result be? Would that fund then go into deficit?

**Mr Cannon:** I do not understand the question I must admit. We set our basis, as I said, in accordance with standard professional practice. If I was to use a basis that you are suggesting, I would be in breach of my professional standards. It seems like a hypothetical question that I am not sure I can really opine on.

**Mr EMERSON:** Mr Cannon, then can I ask you: do you agree with Ian Silk from AustralianSuper, who has warned his members of low returns?

**CHAIR:** Member for Indooroopilly, your question cannot seek an expression of opinion. I kindly ask you to rephrase the question.

**Mr EMERSON:** Ian Silk from AustralianSuper warned his members recently of low returns. Do you think there will be low returns moving forward?

**CHAIR:** Again, member for Indooroopilly, may I remind you that you are seeking an opinion, which under standing orders you are not supposed to be doing.

**Mr EMERSON:** Will there be low returns moving forward?

**Mr Cannon:** I am afraid I do not know what returns will be going forward for any asset portfolio. I wish I did.

**CHAIR:** Time has expired. I ask the member for Stretton to ask his next question, please.

**Mr PEGG:** Further to the Treasurer's opening statement and referencing page 55 of Budget Paper No. 2, can the Treasurer outline how the Palaszczuk government is delivering a surplus despite significant royalty and revenue writedowns?

**Mr PITT:** Thank you for your question. Our response to current circumstances, of course, is part of our budget. Sometimes those circumstances are not part of a global environment; they are part of what can happen even domestically. I made a reference to what happened in the opening statement about the federal government's budget and what they did unilaterally to remove the natural disaster funding from the 2015-16 year. What we are about is maintaining our commitment to having very strong fiscal principles. In fact, we would argue we have the toughest set of fiscal principles in the country and we are very proud of the fact that they set a very high bar for us to adhere to. That helps support sustainability in the state's finances.

Since last year's budget we have seen expected royalties and state taxation revenue out to the 2018-19 year reduced by \$4.7 billion. Of that, \$3 billion has come since I handed down the Mid Year Fiscal and Economic Review in December last year. Those revenue writedowns, of course, are primarily driven by continued downward revisions in world commodity prices by the likes of Consensus Economics, which we use as our benchmarking forecasting for our budget. In addition, there have been revisions to growth of Queensland's major trading partners in Asia, Europe and also the United States, which are collectively now expected to grow by around 3½ per cent each year out to 2020. This is lower than the average growth of around four per cent per annum following the global financial crisis.

Despite the deterioration in operating balances since the 2015-16 budget and the Mid Year Fiscal and Economic Review largely as a result of factors beyond our control, Queensland's operating position does remain strong. We are forecasting surpluses each year across the forward estimates. We are expecting to see cumulative surpluses of \$3.2 billion across the next four years.



Being able to sustain operating surpluses ensures the general government sector capital program continues to be primarily funded from those recurrent revenues as opposed to having it come from borrowings. Downward revisions to operating surpluses across the forward estimates compared to the 2015-16 budget reflect provisions in royalty revenues, as I mentioned, taxation revenues, along with targeted expenses measures to support Queensland's economic transition from that mining boom, particularly in regional Queensland. The effects of these revenue revisions and policy measures have partly been offset by reprioritisations that we have put across the budget and tasking agencies with targeted revenue measures, of course also lower interest expenses and an increase in Queensland's GST revenue.

General government sector expenses are expected to increase to \$52.6 billion in 2016-17 compared to revenues of \$53.4 billion resulting in the largest forecast surplus in a decade. That is that \$867 million surplus for the 2016-17 year. Growth in 2016-17 of expenses is partly offset by a whole-of-government expense reprioritisation measure with interest costs being about \$500 million lower than in 2015-16 due in large part to the implementation of the government's debt action plan coupled with lower interest rates.

By any measure, Queensland has a sound fiscal outlook, despite significant headwinds we are experiencing and despite the actions of Scott Morrison in the May federal budget this year. We are forecasting a surplus of \$152 million in 2015-16 and a surplus of \$867 million in 2016-17. Then going out to 2017-18 a surplus of more than \$1.2 billion is forecast.

**CHAIR:** Treasurer, I refer to page 70 of Budget Paper No. 2. Can you please explain the basis for the lower general government debt-to-revenue ratio over the forward estimates?

**Mr PITT:** Thanks, Chair, for your question. Members of the committee may be aware from last year's budget and what I have presented to estimates hearings in the past that our debt action plan initiatives have led to significant reductions in general government sector debt. In 2016-17 general government debt is expected to be \$37.7 billion, which is \$10.4 billion lower than the \$48.2 billion projected at the time of the 2014-15 budget under the LNP. The economic and fiscal plan we took to the election was to reduce general government sector debt by \$12 billion over the decade. What we have been able to look at is a reduction of \$10.4 billion—

**CHAIR:** Excuse me, Treasurer. Members of the non-government side, could you please keep it down. Sorry, Treasurer.

**Mr PITT:** So that \$12 billion over the decade was a 10-year approach. We are well on the way to achieving that in our first term. Our debt reduction outcome stands in contrast to the \$13.6 billion increase in general government debt that we saw under the previous Newman-Nicholls government. We are forecast to save more than \$800 million in interest repayments in 2016-17 alone as a result, when compared to the 2014-15 budget.

General government borrowings are estimated to be lower than their 2014-15 levels in every year across the forward estimates. That is a pretty important point. In terms of what the previous government had forecast, we will be delivering a better outcome in terms of the level of general government borrowings each year across the forward estimates compared to the previous government. To be clear, by the middle of 2020 general government debt is now forecast to be still lower than it was in 2014-15. The 2020 figure will be lower than what it was actually in 2014-15.

As a result of these debt action plan initiatives, the general government debt-to-revenue ratio is declining significantly, which is good news. Of course, it is forecast to reach by 2019-20 as low as 68 per cent, down from a high under the previous government of 91 per cent in 2012-13. The 2016-17 budget gets the balance right in terms of sustainable fiscal management while supporting our economy in terms of transitioning the Queensland economy to further diversification in terms of its base. It delivers further debt reduction. At the same time, we have targeted initiatives to boost productivity through our infrastructure investment.

The lower general government debt-to-revenue ratio compared to the 2015-16 budget and mid year that I announced in December is a direct result of the general government debt reduction that we have had in our debt action plan. Of course, it includes repatriation of \$2 billion from the defined benefit scheme as part of that overall \$4 billion repatriation. This is consistent with the debt action plan. Forecast levels of general government debt are lower than those forecast in the 2015-16 budget. This result has seen an improved outlook for general government debt and has a more significant effect on the general government debt-to-revenue ratio than writedowns in the outlook for the general government revenues.

The short answer to your question is that this debt action plan is working. We are saving taxpayers interest repayments as a result of this debt action plan. I reiterate that I am yet to see any alternative plan from the opposition which in any way looks to reduce general government debt. In fact, the actions I have seen to date clearly outline that they are prepared to see debt rise in Queensland at a much sharper trajectory because they do not agree, it seems, with any of the actions we have taken since we have come to government. Apparently, we still are faced with the same three choices that were offered up under the previous term by the Newman-Nicholls government. Those are things that we do not see as our first course of action. We think the debt action plan has been a prudent response and one that shows there is an alternative.

**Mrs MILLER:** Treasurer, I refer to the SDS page 3 about the major external factors that could impact on Queensland Treasury in 2016-17, particularly the impacts of a competitive labour market. I draw your attention to the fact that many people in my local area are now referring to the workforce as being 'Americanised', whereby people are working harder and harder. They are actually working less and less hours due to the casualisation of the workforce. They feel that they are on an endless treadmill to nowhere. They feel that they have no control over their work life nor their work future. Treasurer, could you advise whether there are any indications of changes in the competitive labour market that may assist my local workers?

**Mr PITT:** I thank the member for Bundamba for her question. The first thing I would say is that the casualisation of the workforce is certainly not a new phenomenon. I think it is part of an overall transition in the labour market that we have seen over decades. Obviously, our response is to ensure that when we talk about our labour market programs we do not take the same view the previous government did—that is, that employment programs and training programs are the responsibility of the federal government and not the responsibility of the state. I have always believed that both levels of government have a role to play, because if both levels of government are there, even if there is some overlap, people do not fall through the gaps. I think it is very important to understand that we have two levels of government focusing on that.

There are initiatives in the federal government's budget in May that clearly go hand in hand with some of the approaches we have taken in this budget, particularly as they relate to regional Queensland with our back to work program but obviously with the continuation of our Skilling Queenslanders for Work program as part of that overall Working Queensland package—the \$1.6 billion that I announced last budget.

The economy has been transitioning gradually over time. What we know is that traditional strength areas such as mining, manufacturing and tourism have been innovating and evolving. That goes to my earlier point about tapping into the areas that are performing well. We need to enhance them and focus not just on the next few decades but also on the now. This is something our economic plan is fostering.

We have the opportunity to build on our traditional strengths as well as look at extending ourselves in terms of the jobs of the future. We need to find where people's skill sets lie. It is part of the reason we have invested so much into rescuing TAFE in this state: to ensure people are given the opportunities to get training as they need it. We also recognise that the approach taken by this government in trying to increase overall participation is very important. Having people actively engaged in the economy is very important. It is not just about making sure somebody is in training if they are not in an employed role. Yes, that might help unemployment, but it is about progressing them with the skills they need. That is recognising that there are people of all ages. Youth unemployment continues to be a challenge—that is not a new thing, either; it is not new to this government—but we see it and we must attack it with vigour. We also have mature workers who will find a place in continuing.

We will talk a lot about the new economy. In doing so, I am always very cognisant of the fact that we cannot lose sight of the current economy and traditional strengths. We have to continue to foster those areas that we have and ensure they do not get left behind. That is the very clear message that I have been sent. I know that other ministers responsible for employment, including the employment minister, Grace Grace, are well aware of that. That is one of the reasons the Premier took such an active interest in our Working Queensland cabinet committee—making sure that committee went to various locations around the state to hear from local people about some of the issues you are raising today.

**Mr PEGG:** With reference to Budget Paper No. 2, pages 53 and 54, can the Treasurer advise of the benefits and drawbacks of an alternative fiscal strategy without the surplus repatriation from the defined benefit scheme?

**Mr PITT:** I thank the member for Stretton for his question. As I have already touched on, this budget provides proof that debt reduction is possible without asset sales. We have targeted initiatives which look at producing new infrastructure as well—again, not reliant on those three choices we were offered under the previous government.

Getting the balance right in terms of the repatriation of funds from the defined benefit scheme is important—having an eye to reducing debt at the same time as putting money into infrastructure. That is a sound and prudent approach, because we know that money saved on interest repayments in reducing general government sector debt is money that can be put into other things including services and capital.

The way I see it, broadly speaking, any alternative strategy would need to involve a combination of higher taxes, which would hurt business competitiveness and employment, and spending cuts, which of course would reduce services to the community and most likely also reduce Public Service jobs and not deliver our State Infrastructure Fund—the \$2 billion fund that we have put forward. Then there is that other area that apparently has been abandoned by the opposition, at least for now—that is, having mass privatisation in Queensland with asset sales. I have said consistently that, while that may produce some short-term gains, we would lose over the long term the dividends and tax equivalent payments from those government owned businesses that the former government was so willing and eager to sell.

I listened intently to the Leader of the Opposition's budget reply speech, but I did not hear any combination of these options spelt out. I did not hear them being ruled out, either. He certainly neglected to mention asset sales, apparently preferring to wait for what I think has been termed a succinct and clearer campaign. 'Obviously people just did not understand it properly last time,' is essentially what the LNP is saying. There did not appear to be any reference to an alternative fiscal strategy in that reply, despite some members of the opposition not so privately lamenting the fact that they had not considered repatriating part of the defined benefit surplus when they were in office. There are clearly measures that may have been offered to the previous government, including some of the balance sheet reform options we have taken. I think members of the opposition have been thinking, 'Why didn't we think of that?' That is something we have heard some murmuring about.

The lack of an alternative economic plan has not stopped the opposition, including some backbenchers, from making a range of spending promises. We have already seen that spending promises and cuts to initiatives of our government cumulatively would result in what we think is about an \$8 billion unfunded budget black hole. I will run through the items.

The opposition oppose the \$4 billion defined benefit scheme repatriation. They opposed the \$2 billion contribution holiday last budget. They oppose the \$800 million in associated interest savings this year alone. They oppose the \$750 million in government owned corporations cash management. They oppose the \$90 million we forecast to generate from a three per cent foreign property surcharge. They refuse to tell Queenslanders what they would cut in order to meet the \$345 million in revenue that we have already factored into the budget through replacing their own indexation policy—the 3.5 per cent—with one based on CPI increases. They oppose the \$680 million savings that the merger of Energex and Ergon will create across the energy GOCs combined. They oppose our \$100 million regional back to work plan.

They say they have an alternative, which costs more and delivers less. On the expenditure side, the opposition have promised to spend an extra \$5 million per year at Noosa Hospital. They have promised to spend another \$105 million at the Mooloolah River interchange. They have promised to spend \$200 million building the Capricorn Correctional Centre. We may indeed need to do some of these things in the future—we acknowledge that as a government—but the point is that you need to find a way to pay for them. The opposition leader preaches expenditure restraint as the single most important thing that he says is going to fix any future budget black holes that may come as a result of opposing everything that this government stands for, yet we have a shadow ministry and a backbench that seems to be promising myriad local projects—again, not coming up with any alternative fiscal strategy. It is not a viable alternative to our plan. We wait with bated breath to find out what the opposition say they will do, given that they seem to have not only ruled out what they said last time but also ruled out what we have done since we have come to government.

**CHAIR:** Treasurer, I refer to page 33 of Budget Paper No. 2. Can you advise how Queensland's economic growth forecast for 2016-17 compares with other states?

**Mr PITT:** Thank you for the question. Our state's economy is forecast to grow by four per cent in 2016-17 and Queensland is expected to have the strongest economic growth in the nation this year. The latest Deloitte Access Economics *Business Outlook*, as I mentioned earlier, supports the

Queensland Treasury forecast of upgrading their growth forecast from 3½ per cent to 3.9 per cent in 2016-17. In fact, Deloitte actually says that Queensland will have nation-leading economic growth which is going to extend out to 2020-21. Despite the doom and gloom that we will be hearing from the opposition, Deloitte have said—

Queensland's economy is better placed than its residents realise. In fact, this may well be Australia's fastest growing state in the financial year that has just commenced.

Queensland's forecast growth is one per cent higher than the next highest of New South Wales and Victoria, and of course both are expected to grow by three per cent this year. Our growth is also anticipated to be almost three per cent higher than Western Australia, highlighting that our diverse economy is very important. We are also a resource state like Western Australia, but we are not as exposed as Western Australia is to the fluctuating fortunes of commodity prices. Next year economic growth is expected to be the strongest amongst the states with growth of 3½ per cent forecast for 2017-18. By comparison, New South Wales and Victoria are both forecasting growth of 2¾ per cent for next year and Western Australia is forecasting growth of 2½ per cent. Much of Queensland's growth is attributable to the foresight of previous Labor governments in fostering the development of our \$60 billion LNG industry in Queensland, but other growth areas identified in this week's Deloitte *Business Outlook* report talk about having strong areas like tourism—of course tourism develops itself—international education as well as agribusiness. In housing construction Deloitte indicates that Queensland still has a brighter future than is true for a number of states as a result of our more affordable housing. Of course our nation-leading growth under the Palaszczuk government is consistent with Queensland's long-run GSP growth, averaging four per cent over recent decades. We have actually outstripped both the national growth rate average as well as the OECD average since around 1992, so strong growth is not something that is unusual to Queensland.

**CHAIR:** Treasurer, time is up. I hand over to the member for Indooroopilly.

**Mr EMERSON:** Under Treasurer, earlier the Treasurer mentioned SPS 160. What is the shortfall limit for the defined benefit fund?

**Mr Murphy:** I just confirmed with the Actuary that there is no shortfall because it is not relevant to the defined benefit scheme. The government one is guaranteed, so in effect that is not relevant.

**Mr EMERSON:** But you have asked for it to be considered under the APRA scheme. That is 160.

**Mr Murphy:** I clarify that, with regard to what we were looking for from the triennial report from the Actuary, in terms of any advice I corroborate that. I am not going to provide advice to the government on the basis of one person's advice or one entity's advice. What we were seeking to do and from discussions I had with the Actuary it seemed to me that we needed further elaboration on what really was the position of the fund, so I spoke to a number of people, as I said earlier today, and they said to me, 'Realistically, if you're looking for further elaboration or understanding of where the fund's at, you need to specify that.' In my previous role with the Commonwealth the Commonwealth Actuary reported to me, so I know a little bit about actuarial work. From my analysis of the triennial report and from discussions with the Actuary, I thought 'Yes, the report hangs together,' but we all know with any actuarial report it is based on the assumptions underlying it. What we have done in terms of the fiscal principle is actually elaborated on that and said that we wanted to minimise the other funding and we thought as a benchmark or as a guide to the Actuary as to what we are achieving we would use the APRA defined benefits standards.

**Mr EMERSON:** You did not use all the classes?

**Mr Murphy:** No. As the Actuary would say to me, he has reported on the basis in the spirit of the APRA findings and in his letter back to me—the letter of 22 May—the conclusion was, and I think this is very important—

In conclusion, the scheme is very well funded and there is scope to repatriate some of the surplus. Based on the revised criteria listed above—

and that was to minimise overfunding in the APRA—

a maximum repatriation of \$5 billion could be undertaken while maintaining consistency with the APRA funding standards allowing for the contribution's suspension—

which we had done the previous year—

and a small buffer against adverse experience.

On the basis of that advice, I could give advice to the government.

**Mr EMERSON:** Thank you, Mr Murphy. I call on the Chief Executive of QIC please. Thank you, Mr Cannon. I appreciate your assistance today. Mr Frawley, what assets will have to be sold to finance the state government's super fund raid?

**Mr Frawley:** The portfolio is managed in a balanced fashion, so the portfolio will be liquidated in accordance with the balance of the fund.

**Mr EMERSON:** So what, a vertical—

**Mr Frawley:** Vertical slice through the fund.

**Mr EMERSON:** What will that include? Give me examples of the kinds of things that would be sold to pay for the raid.

**Mr Frawley:** Listed equities, bonds—

**CHAIR:** I ask the member for Indooroopilly not to use imputations in his questions. Just keep the question appropriate.

**Mr EMERSON:** Let me clarify that for Mr Frawley: what assets will have to be sold to pay for taking the funds away?

**Mr Frawley:** Listed equities, bonds and units in funds of unlisted assets, but it will be in a vertical slice to maintain the balance of the fund to ensure future returns.

**Mr EMERSON:** Can you give me an example? You mentioned those asset classes. Can you give me some examples in those?

**Mr Frawley:** A portion of our BHP shareholding, a portion of our portfolio of infrastructure assets, a slice of our real estate assets. These are housed in unit trusts, so we are not selling individual assets in whole; we are selling units in funds.

**Mr EMERSON:** But you will have to sell assets to pay for the decision of the government?

**Mr Frawley:** We are selling units in trusts, but we are not selling—to be clear—assets in their entirety to ensure that we maintain the balance of the fund.

**Mr EMERSON:** How do you determine—how do you select—where to invest in terms of QIC?

**Mr Frawley:** We look at opportunities all around the world. We have a return range for our asset classes that we look for and we agree an investment objective with all of our clients and then we set about looking for assets all around the world in many different asset classes to achieve that investment.

**Mr EMERSON:** Has there been any change to the QIC investment mandate in terms of the breakdown between those asset classes?

**Mr Frawley:** For the defined benefit fund?

**Mr EMERSON:** Yes.

**Mr Frawley:** No.

**Mr EMERSON:** In terms of that investment from the defined benefit fund into, say, infrastructure, you make that completely independent of the government?

**Mr Frawley:** Yes. For 25 years under the QIC Act in parliament we are there to manage the assets on behalf of the state and in those portfolios that we manage for the state we are completely independent and under direction or with no direction from government around where we actually apply the funds.

**Mr EMERSON:** Are you aware of any conversations between QIC and the government in terms of any direction towards types of assets or types of infrastructure in terms of where they should be going to?

**Mr Frawley:** No.

**Mr EMERSON:** Thank you, Mr Frawley. Can the Under Treasurer quantify the savings from the Australian Energy Regulator's determination for network efficiency savings for Energex and Ergon?

**Mr Murphy:** Yes. This is the merger to electricity—

**Mr EMERSON:** Yes. This is what the AER directed in terms of efficiency savings.

**Mr Murphy:** I just have to get to the numbers. You know how the AER works: it determines the maximum revenue which people can be charged in terms of that. With regard to the release of their final determination for Energex and Ergon, as you were aware, the government directed Energex and

Ergon not to appeal that decision. I am just trying to get you a number. With regard to the effect of the AER, there arguably has been overcapitalisation of the electricity network. The effect of the AER determination was to say, 'Okay, you can't claim as much in terms of capital expenditure,' which would flow into prices. I am just trying to find you an actual number. The AER has allowed Energex to recover \$6.6 billion over five years from its customers and Energex to recover 8.26 from its customers over that five-year period. How much has that saved energy prices? I cannot give you an actual figure on the savings, although I would say that, if I referred to energy prices or electricity prices, they have moved less than two per cent over the last two years. It has led to actions by the government and significantly the AER determination in a typical annual bill on an individual has not moved for three years largely.

**Mr EMERSON:** Just to help you out maybe, Mr Murphy, I point to question on notice No. 3 for the hearing where I did ask the question in terms of reference to the merger and the distinction between—and the figure keeps getting mentioned—the \$680 million, but it does not distinguish between the distribution merger savings and the distribution efficiency savings as a result of AER. What I am looking for is what the savings are from the distribution efficiency as directed by AER.

**Mr Murphy:** As I would say, it is factored into the budget in returns.

**Mr EMERSON:** I appreciate it is factored into the budget. I am just looking for a number. What I am seeing is an amalgamated number of those two. I am looking for a separate number. The government says there are savings from the merger, but what I am looking for separate from that is the efficiency savings.

**Mr PITT:** If I could possibly help the member, I think I understand what you are trying to suggest in terms of the question you are asking—that is, of the \$680 million, what is the element that relates directly to the merger of Ergon and Energex—

**Mr EMERSON:** I am actually looking for the other part.

**Mr PITT:** Yes, that is what I am saying in that you are then looking for the other number. I just say to the member that obviously we operate as part of the national energy market and the AER's determinations always have to be factored in to anything that we do, including the work that we have done in making an assessment of how much we may save as a result of not only the merger of Ergon and Energex to form Energy Queensland but also savings with the other electricity companies that we own as the people of Queensland. There is going to be an element always that was going to be factored in that related to the AER component, and that was part of the original assessment in opposition. When you talk about the combined element, it is very clearly the result of a combination of efficiencies and savings within the businesses as well as part of the determination.

**Mr EMERSON:** That is what I am looking for. I agree with you completely, Treasurer. That is the point I am looking for, but can you split the two up for me?

**Mr PITT:** I guess what I am trying to understand is why you believe that that needs in any way to be separated out, because that is part of the overall amount. We cannot separate it out because it is part of a regulated environment, so those savings will be what those savings are as determined by the AER.

**Mr EMERSON:** What I am pointing out to you, Treasurer, is that you are claiming that these savings are made from the merger. What I am suggesting to you is that a large proportion of these savings come from the AER recommendations, not from the merger itself.

**Mr PITT:** Those savings would be required because we are in a regulated environment. My point to you is this: you do not separate those things. When we considered what savings were possible with the merger, it was always in full visibility of saying that we operated in that regulated environment and there would be AER components.

We have not suggested that simply joining these two entities together and forming the largest energy distribution company in Australia with \$24 billion of assets was going to be the reason we had all of the savings. You have to factor in the environment that they operate in and that is obviously the National Electricity Market. There are no smoke and mirrors here.

**Mr EMERSON:** You are saying that you cannot separate those out?

**Mr PITT:** No, we can separate them out.

**Mr EMERSON:** That is what I am asking.

**Mr PITT:** I am saying to you that the reason you are asking the question is to suggest that in some way the mergers are not a success and are not garnering savings when they were always going to include this amount.

**Mr EMERSON:** Mr Chair, given the fact that the Treasurer has indicated that you can separate them out, can I ask him to take that on notice and provide an answer for the committee?

**Mr PITT:** I am just putting the response in context.

**Mr EMERSON:** I think the Treasurer has indicated that he will provide that answer. So I appreciate that.

**Mr Murphy:** Yes, we can provide that. So \$680 million and of this amount \$562 million relates to the merged Ergon and Energex. We would say just roughly about \$118 million and that is generation as well. That is the best I can do.

**Mr PITT:** We can take it on notice for you.

**Mr EMERSON:** I note, Treasurer, the question on notice I have already asked was not answered in terms of that breakdown. I ask for it to be broken down into those two components.

**Mr PITT:** We are happy to do that but, again, I reinforce to the member that if the member's suggestion is that if there is going to be a lesser amount, or a lesser component of the \$680 million, that in some way the success of the merger is not as big as it has been suggested by the government, I say to the member that I find your interest in the merger quite interesting, given that you wanted to sell these entities.

**Mr EMERSON:** I am just looking for clarity.

**Mr PITT:** No, I am just making the point that the sudden interest in what happens with the merger process I find interesting.

**CHAIR:** Could I ask the member for Cairns to ask his question, please?

**Mr PYNE:** Yes, my question is to the Treasurer. Mr Treasurer, in your introductory comments you spoke about the Industry Attraction Fund. In light of what some are calling a two-tier economy, can you speak to how that fund will help attract industry and investment to regional Queensland and our area of Far North Queensland in particular?

**Mr PITT:** Sure. I thank the member for Cairns for his question. I know that he is a very passionate advocate for Far North Queensland. I have known him for a long time. I would say to the member that there have been some suggestions by the Leader of the Opposition—and I hope I am faithfully quoting him; he suggested that our Industry Attraction Fund was some kind of corporate welfare. When we are attracting businesses from interstate or overseas, we incentivise them. We are in a competitive environment to bring businesses here when they may choose to go to other states.

An example of an early success of this program has been the attraction of a group out of Wagga in New South Wales called Southern Oils. As a result of our government's work, they have decided that they were going to establish themselves in the Gladstone area. They are going to be producing over the next three years around one million litres of biofuels as a result of trying to look at a memorandum of understanding we have with the US Navy. You may be aware that the US Navy has this initiative called their Great Green Fleet. That is about transferring their fleet over progressively into running on biofuels. That is something that we certainly give them a very big acknowledgment for. When they look at their Asia-Pacific porting and refuelling options, we would like them to make sure that that happens in Queensland. I mentioned the Gladstone example, because that is an example where we have attracted a business. They are spending \$16 million to do this advanced refining plant there in the space of biofuels and we hope that they are getting success.

My point to you, member for Cairns, is that we expect that we may be able to attract businesses to places like Far North Queensland. In a similar space, you would be very well aware that we have a very strong agricultural sector, and particularly a lot of canegrowers in Far North Queensland. My suggestion would be that some of them may assist in providing feedstock for some of these initiatives in the biofuels space or, alternatively, we may see some other initiatives. Whether they be related to the areas of innovation as part of our Advance Queensland strategy or otherwise, there is still much scope to attract people.

The fact is that we have very competitive taxation settings for individuals as well in areas like payroll tax, where we have the lowest payroll tax rate in the nation and we have the second highest payroll tax threshold in the nation—the highest of the mainland states. You cannot tell a Queensland business that there is a great rate, because that is the norm here, and I appreciate that. What we are trying to do is bring people from interstate or overseas to establish their businesses in Queensland and we think that this \$40 million fund will go some way to do that.

I would say that it is important to note that, whilst we are targeting interstate and overseas businesses with this initiative, here in Queensland we are also looking to ensure that Queensland businesses can have an opportunity to be involved. It is not restricted to external, interstate or overseas businesses; there may be opportunities for Queensland businesses existing already that wish to move into regional Queensland to provide some incentives there. The incentives in this scheme include a range of things, including the facilitation of case management in terms of their planning and zoning support. We will be looking at payroll tax rebates, we will be looking at transfer duty concessions and other forms of ex gratia relief, but we will also include cash grants.

We are deadly keen on bringing business to Queensland. We think that we have a great product. Our state is a fantastic place to do business. We believe that we can do that with this fund and, hopefully, places like Far North Queensland, where both you and I are from, could be a beneficiary from this fund.

**Mr EMERSON:** Thank you, Mr Chair. Just going back to comments that you made previously about wanting to have a conversation with Queenslanders about higher taxes; what taxes are you looking at examining in terms of that conversation?

**Mr PITT:** I thank the member for his question. We have made a commitment this term to look at, as we have said, continuing the revenue policy settings as they stood prior to the election. This included the 3.5 per cent indexation of taxes and charges put in place by former treasurer Tim Nicholls. Of course, that is something that we have continued across this, because it was built into the forward estimates when we came to government. What we have said is we would not, on top of that, introduce new taxes, fees or charges, of course, because we wanted to give householders some certainty that the government was not going to change the rules on them.

Sadly, under the previous government we saw changes to the stamp duty on insurance. It went up by 1.5 per cent which, of course, the treasurer then said, when he was the previous shadow Treasurer, that that was a windfall on misery. We did not want to provide those sorts of settings. We wanted to ensure that people had certainty. That included looking at what happens with our coal royalties. We have said that we were going to be putting in place a freeze on royalties over this term. That gives essentially three years of certainty to households, to business and, of course, to investors who would be coming into the marketplace as well to a point. That is the way we framed our election commitments as they stood prior to the election in 2015.

I have certainly spoken recently about the fact that those commitments were for the life of this term. When we are talking about what happens with our revenue position, we clearly need to look at what our revenue options are. We have done that in this budget, focusing on the foreign buyers of residential property in terms of the transfer duty surcharge. We have also looked at having a tax avoidance crackdown, where organisations are potentially claiming charitable status where they should not. These are important things that we should continue to do and I am sure that we would have support, particularly for the latter. I know that you do not support the other element. The point is that we need to continually look at revenue options. At the same time we should keep our election commitments.

**Mr EMERSON:** So when do you—

**Mr PITT:** Getting to your question, we will be having a serious conversation with the federal government. We have tried to have some discussions around tax reform. Those conversations are going to be very critical to what kind of conversation we have with Queenslanders beyond this term. In the first instance, we want to ensure that we have funding certainty in terms of our revenues from the Commonwealth. Why that is so important is that the member would no doubt be aware that we have around 50 per cent of our revenues coming from the Commonwealth. It is no small part of the revenue picture for Queensland. We would like to think that we are able to get a good deal out of the Commonwealth—one that is fair, one that recognises our decentralised state and one that recognises that we are a growing state and we require growth funding for areas such as health service delivery. If we can get those things well and truly in play, your question may be that no conversation needs to be had in that sense.

I am not going to deal in hypotheticals. We have not set out any plan for what this looks like at this point, because we are still delivering on our commitments this term, which means that we are not providing a change to those revenue settings.

**Mr EMERSON:** Treasurer, can you just clarify that for me then?

**CHAIR:** Time has expired. I go to government members.



**Mr PEGG:** I refer to chapter 8 of Budget Paper No 2 regarding the performance of government owned corporations. Can the Treasurer outline the benefits to the budget in retaining these income-generating assets as opposed to selling these publicly owned assets?

**Mr PITT:** I thank the member for Stretton for his question. Certainly, I do not think that it would be come as any surprise to members of the committee, including those who have been given leave to ask questions, that the bedrock policy position of the Palaszczuk government was one where we said that we would not sell our income-generating assets. We will continue to ensure that they remain in public hands. We did not take a short-term view; we took a view that these businesses, whilst they may still need to continue to evolve as technology changes and there are significant other decisions that they may need to make along the way, will continue to remain in public hands. These assets provide the essential services of energy, of water and of transport across the length and breadth of our state. They also, of course, very importantly deliver a financial return on behalf of the people of Queensland.

It is estimated that, in 2015-16, these entities will collectively return around \$2.3 billion to government by way of dividends, tax equivalent payments and competitive neutrality fees, and \$7.9 billion over the following four years to 2019-20. If GOC assets had been privatised in 2014-15, let me make this clear: those returns would have been lost to the state. This means that the state would have needed to borrow to fund essential services, resulting in not only an increased debt burden but also an ongoing drain on the state's financial resources and increased interest repayments. By retaining ownership of our government owned corporations, the state also benefits from potential future uplift in asset values over time, which would not have been available if the GOCs had been privatised.

Retaining these income-generating assets in public hands provides a number of other significant benefits for Queenslanders. Government retains the ability to influence strategic decision-making and investments as well in the GOCs, thus ensuring the right balance between the wider social and economic benefits and returns to government. Of course, that includes supporting regional economies in terms of employment and limiting cost-of-living pressures.

As the owner of these assets, the government retains the power to ensure that GOCs provide essential services in circumstances where a private owner, motivated solely by a return on investment, may otherwise not do so. We exercise this power—and it was referred to a little earlier in response to a question. We directed Ergon and Energex not to appeal against the Australian Energy Regulator's determinations earlier this year. That helped to stabilise electricity network costs for the benefit Queensland consumers. Through continued ownership, the Queensland government has retained the ability to reform and improve government owned corporations. These businesses will continue to generate savings and, of course, also assist in reducing debt.

An example of this is the merger, which occurred formally on 1 July, where we saw Ergon and Energex combine to become Energy Queensland. This is a merger, together with efficiency savings across the energy network and generation businesses, that is expected to realise savings of \$680 million over the next five years. Unfortunately, the merger and associated savings were opposed by the LNP when we introduced the legislation recently. When it comes to alternative positions on asset sales, I certainly—and I sure many Queenslanders do—would like to know where the LNP stands. We know that, at the 2012 election, they spent the previous time telling everyone how these assets should not be sold. They campaigned against the sale. Then they spent three years telling Queenslanders that that was the only choice. What we have done is come to government and prove that there was an alternative. That means that we will retain these in public ownership for the longer term.

The new opposition leader, incidentally, was asked repeatedly about assets sales and about the privatisation of these government owned businesses. He said, 'We'll be making our position known in due course.' This was two weeks after the *Australian* had reported that an unnamed LNP member—and, again, I take this with a grain of salt; it is an unnamed source—said that there would be to be 'a succinct and clearer campaign'. Clearly, according to the LNP, the benefits of asset sales were lost on the people of Queensland. They assumed that Queenslanders did not know what they were doing and they believed that they just needed a bit more convincing. I take a very different view. I believe that the people of Queensland were very aware and they understand the benefits of keeping these in public hands for the long term.

**CHAIR:** I go to the member for Bundamba. I should indicate that this question will only have one minute.

**Mrs MILLER:** Thank you. Treasurer, I would like to be quick. I refer to page 3 of the SDS. Right across South-East Queensland, Treasurer, people are getting pretty cranky—in fact, angry—about the excessive fines and fees being charged by e-toll companies. For example, for a \$5 toll they may be hit

with \$140 in fines and \$10 in fees. Some people do not have access to computers; certainly in my area some people do not even have credit cards. I am just wondering whether you would consider, in association with other ministers, capping the total fines and fees that are able to be charged by toll companies for non-payment of tolls to actually reasonable amounts not gouging which is what they are currently doing.

**Mr PITT:** Thanks, member for Bundamba. I will try to be as brief as I can in response to your question. The tolling arrangements in terms of what tolls are charged is a matter for those companies. They are private companies. As we know, Transurban has the monopoly on South-East Queensland toll roads so they will be charging their tolls. I think what happens though is things progress from the original fine and these things can escalate. I think what I found to be very interesting is that under the previous government we saw a change in policy that saw those toll fines referred immediately through to SPER. The issue with that is, of course, we saw a significant increase in terms of the penalty infringement notices that were being put out there. Of course, it led them to be referred to SPER directly by the Department of Transport and Main Roads. I guess this is an occasion we might not see, but all along we thought this was essentially an issue that the former Treasurer, the now opposition leader Tim Nicholls, had actually put in place, but when you do a little further digging it is actually the current shadow Treasurer in his former role as minister for transport and main roads who approved the issuing of the PINs on all tolling debts. This has seen the single largest increase in terms of those penalty infringement notices—150,000 per annum to approximately 700,000 per annum. You can see just how this has escalated, member for Bundamba.

**Mrs MILLER:** Shocking.

**Mr PITT:** It is absolutely shocking.

**CHAIR:** Treasurer, sorry to interrupt. The committee will now take a break and resume at 4.15 pm.

#### **Proceedings suspended from 4.01 pm to 4.16 pm**



**CHAIR:** The committee will now resume its examination of the portfolio of the Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport. I call the member for Maroochydore.

**Ms SIMPSON:** Thank you and good afternoon, Treasurer and Minister, and departmental staff. Treasurer and Minister, I wish to ask you some questions firstly in regard to the procurement processes and reporting in regard to Indigenous education. Specifically, I note on page 4 of the SDS it outlines the projected value procurement for Aboriginal and Torres Strait Islander businesses—actually, if I could redirect this to the director-general—and I ask whether this SDS reference to the procurement of Aboriginal and Torres Strait Islander businesses at \$40 million for government also includes the work in respect of the Cape York Aboriginal Australian Academy?

**Ms O'Connor:** In terms of procurement outcomes for Aboriginal and Torres Strait Islander people, we understand that one of very important ways to grow employment is through improving government and private supply chains. When the government spends its money on procuring goods and services and capital works to bring about employment opportunities, we see that as part and parcel of growing jobs in this state. Particularly in the regional and rural and remote locations, increasing participation in the real economy creates a win-win scenario. I think there are real benefits for individuals and their families. Certainly in terms of procurement we have had some successes in this area. In 2015-16 as at 31 March there were 215 Indigenous businesses with contracts with the Queensland government for the provision of goods and services to the total of \$105.7 million. That is an increase up from 2012-13 when there was 26; the following year, 2013-14, when there was 35; and 2014-15 when there was 60. So we have seen exponential growth. In relation to your question about whether the money for the Cape York Academy is included in that, no, DET (Core School) funding is included.

**Ms SIMPSON:** Further to that, as the department does take a lead role in planning, governance and oversight of initiatives in respect to Aboriginal and Torres Strait Islander whole-of-government service delivery, I refer you to the latest school annual report available on the Cape York Aboriginal Australian Academy website for 2014, which I seek leave to table.

**CHAIR:** Leave is granted.

**Ms SIMPSON:** I am happy for that to be provided to the director-general. This is a 2014 annual report. It is the last one that has been published on the website. Director-general, can you advise when the 2015 school annual report can be expected to be produced and published?

**CHAIR:** Director-general, do you need a copy of this document?

**Ms O'Connor:** Yes, please, Chair. I do not have a copy of the document.

**Ms SIMPSON:** I have a copy I can provide to the director-general.

**CHAIR:** I understand a copy is being provided to you, director-general.

**Ms O'Connor:** Thank you. My understanding is that this report would be provided to the Department of Education and that the question would be going to the director-general of that department.

**Ms SIMPSON:** I will follow up in respect to this matter. I appreciate that there are a number of departments involved, but given that this department has an oversight, governance and planning role for whole-of-government service delivery, I refer to this latest school annual report that has been published publicly for 2014 that outlines the percentage of school staff that feel that their school is a safe place in which to work fell between 2013 and 2014 from 27 per cent to 79 per cent; the percentage of school staff that feel that student behaviour is well managed at the school fell between 2013 and 2014 from 93 per cent to 62 per cent; and the overall attendance rate for students at Aurukun school dropped between 2013 and 2014 from 63 per cent to 58 per cent and I ask the director-general: as part of the procurement from Aboriginal Torres Strait Islander Services, as part of that whole-of-government delivery, wouldn't it be fair enough that we have a more up-to-date report in regard to such important indicators of performance and service delivery?

**Ms O'Connor:** I would expect a report to go to the director-general of Education, but I am quite happy to make some comments in relation to Aurukun and community safety if you would like me to do so.

**Ms SIMPSON:** I would certainly appreciate comments in respect to this service delivery area with the educational outcomes because this department does have a whole-of-government responsibility in respect to Closing the Gap and reporting upon the measures that have been taken to do that.

**Mr PITT:** I know the question is to the director-general, but can I make the comment that DATSIP does have a whole-of-government responsibility for a number of areas but that does not extend to many of the individual responsibilities that other agencies hold. Whilst we have a central coordinating role for some of the whole-of-government policy initiatives, I think the director-general's earlier response in terms of this matter primarily sitting with the Department of Employment and Training is quite valid. We are happy to answer what we can.

**Ms SIMPSON:** Could we take that on notice then? Given that there is an oversight role I think it would be important to have the issue of where the 2015 report is and what has been done to ensure these indicators are being addressed. Could we have that taken on notice?

**CHAIR:** Could the Treasurer please confirm whether your department is the appropriate department to respond to this question?

**Mr PITT:** There are multiple parts to the question. I guess my point is that this agency has a clear role across government to provide coordination and response to many areas, but there are many things that are delivered by other agencies. Whilst we can take note and have advice provided and coordinated and centralised, some of these matters are still for other agencies. We are certainly happy to try to answer the things related to school attendance, it is one of our key indicators across a number of communities including Aurukun. We can certainly respond to that. We are happy to take the question on notice with some of the specifics that may be mentioned because some of those may require us to engage with other agencies.

**Ms SIMPSON:** I would appreciate it if that could be taken on notice and I would be happy to draft it out more fully. I would like to ask a question with respect to recidivism. I note that reference has been made to the From Jails to Jobs program as a pilot in this budget in the SDS and also in the budget measures and, specifically, \$1.315 million for approximately 30 participants in this From Jails to Jobs laudable objective to address recidivism. Specifically my question is what are the performance measures or the benchmarks that you are applying to this trial and what does success look like in regard to those benchmarks that you are proposing in the trial?

**Mr PITT:** Is the question to myself or the director-general?

**Ms SIMPSON:** Minister, I am happy for you to take it.

**Mr PITT:** I thank the member for the question. Of course I preface my comments by talking about the fact that we have clearly a significant overrepresentation of Aboriginal and Torres Strait Islander people who either just come into contact with our justice system or, of course, may also be incarcerated.

Those contacts with the justice system may include being both offenders of crime as well as being victims of crime. It is very important when we look at overrepresentation. Around 3.6 per cent of the Queensland population is made up of Aboriginal or Torres Strait Islander people; we know that around 31.5 per cent of our adult prisoners and 64 per cent of those in youth detention are, in fact, Indigenous. This is a really important element that we are working towards in terms of our Aboriginal and Torres Strait Islander Justice Strategy and we are going to continue to work very hard with the Department of Justice and Attorney-General on delivering those outcomes.

You have mentioned one of the innovative responses to improved outcomes is going to be our \$1.3 million From Jails to Jobs initiative announced as part of the 2016-17 budget. From Jails to Jobs is a program designed to break that cycle of re-offending and to deal with the recidivism that you have mentioned. This program is going to be supporting prisoners to gain and maintain employment by providing job readiness and training, connecting them to jobs and supporting them to keep those jobs on release from jail.

It has been said to me on a number of occasions that that six-month period after somebody is released from incarceration is a critical period. That is why these initiatives are important. We have to ensure that we get people at the right time and help them come back into a community, if that is where they are from, or, if they are from urban parts of the state, provide support through these initiatives. We are going to be working closely with Queensland Corrective Services as well as the private sector, including the Queensland Resources Council and its member companies, to help implement the program. I stress again that these initiatives are very important because we do not want to see this revolving door arrangement. If we are able to change someone's pattern of behaviour, particularly if they are a youth offender, we may be able to set them on a path to doing some very good things as they go forward and hopefully keep them out of adult jail.

**Ms SIMPSON:** To address the specifics of the question, could you please advise what benchmarks are being built into the performance criteria for the pilot? What will success look like and how are you measuring it?

**Mr PITT:** I have mentioned some of those things already. Obviously the fact that we need to see employment outcomes or see job placements is going to be very important. You may not have seen or heard the opening statement that I made, but when we look at overall outcomes in terms of employment, we had a target of 400 new job placements for Aboriginal and Torres Strait Islander people and clearly we have well and truly exceeded that, going across more than 1,200 job placements. That goes in line with the approach that we are taking as a government in terms of trying to support employment right across the state, particularly in this case with those people who are coming out of incarceration.

The key benchmark—there are others, but the key benchmark—will be that job placement which, of course, includes ensuring that people have appropriate accommodation. Sometimes that may be a condition of their role to ensure that they have a stable environment as well. We are going to be working with other agencies to deliver on those things. The point that I think should be made here is that this is a proactive response to what we think is a very large problem.

Crossing over to my other portfolio of Treasury, we also have a social benefit bond that we announced which deals with recidivism. There will be a component of that which will also overlap with the From Jails to Jobs program. I think it is important to know that once we actually have that in operation we are going to see some significant work that hopefully we will get some expanded and boosted outcomes from.

**Ms SIMPSON:** Further to that, one of the issues that has been raised with me is not only Indigenous prisoners and their release but also offending. There can be serious offences but there can also be simple things, though still serious in impact, such as people driving unlicensed and not having access to appropriate driver training for Indigenous people resulting in them having offences in that space. Are there any initiatives to deal with this issue specifically in rural and remote communities to help people gain licences, including those who are leaving jail?

**CHAIR:** Excuse me, Treasurer: you have two minutes left in this session.

**Mr PITT:** I will try to compress my answer, Chair. The Indigenous Driver Licensing Unit within the Department of Transport and Main Roads has been operating for a number of years. In my electorate of Mulgrave, some people based at the Bentley Park centre have been doing outreach into many Cape communities. It is very important. I am sure the member will appreciate why people put such importance on having a driver's licence. It is important because it allows people increased opportunities for

employment. It is almost a prerequisite in anyone getting a job. If you do not have a licence, it makes it hard. The other point is that it is important to have as many primary forms of identification as possible, which assists across a number of areas.

Very proactive work is being done. This is primarily the responsibility of DTMR. If there are follow-up questions, out of session we can try to provide you with some information. The point is that there is a successful program that needs to have the support of all sides of politics. I can tell you about the difference it makes to people when they are able to obtain their licence. Of course, things are put in place that look at the learner drivers, for example. Sometimes it is not easy to get the number of hours up in terms of log books, particularly when you are looking for formal training settings in some parts of remote Queensland.

Parts of this cross over and must be addressed and have some flexibility to deliver the program. It is an important point. I thank you for raising it, because it is something that we have to be very vigilant on, continuing the opportunities for people to get licences to help deliver better life outcomes.

**CHAIR:** I now call the member for Stretton.

**Mr PEGG:** With reference to the Department of Aboriginal and Torres Strait Islander Partnerships Service Delivery Statements, specifically page 2, can the Treasurer outline how the department and fellow ministers are leading by example in supporting Indigenous communities and culture?

**Mr PITT:** I thank the member for Stretton for the question. Last November in Yarrabah, we held a Community Futures Summit. This was a meeting of the mayors of many of the discrete communities across Queensland. It was all about looking at some of the successes that we have had in government in the past. One of those successes has been a long-run program called the Government Champions Program, where the directors-general of agencies, as well as other senior executives and CEOs of other bodies, have played a very important role as the go-to person in government, within the Queensland Public Service, to ensure good outcomes for local communities. They work strategically with cabinet ministers, who are our ministers in delivering. They also have a network in which they share information amongst themselves.

Following this Community Futures Summit, it was suggested that our government ministers take on a similar role. I have announced a Ministerial Champions Program for the communities, similar to the Government Champions Program. This has been embraced by my cabinet colleagues. I think it is a great opportunity for every community to have a seat around the cabinet table, to have someone who is a direct champion for them. I will always be a champion for all communities and, of course, the Premier has a similar role. However, we think that all ministers will be able to take specific interest in a community. As I say, it has worked very well in terms of directors-general and what they deliver. My director-general, Clare O'Connor, is the government champion for Cherbourg. I am constantly being asked questions about what we can do to support Cherbourg. Similarly, we have conversations around government.

This is a really important program. The ministerial champions will visit communities to which they have been assigned on a six-monthly basis, in coordination with their portfolio schedules. This will take some of our ministers to communities that they may otherwise not go to as a usual part of their portfolio responsibilities. I think that is very exciting. I said to my colleagues that this experience will enrich them. It will be something that they will take away and have a completely new understanding and outlook in terms of what some communities face in terms of their challenges, and also making sure that they can support them and get great outcomes. I think this program will be very exciting. We think we are going to get some good outcomes. The Government Champions Program has been a success. We have seen some great things in Cherbourg, as I mentioned, with the director-general of DATSIP. We have also seen some great things happening in Doomadgee, in terms of the use of the local pool. Education Queensland is doing some great work there. Pormpuraaw has done some great stuff in terms of elders and we are starting to see some really great benefits flowing. This program has been very warmly received by the leadership of each of the communities. I know that they are as keen as our ministers are, to get working with them and have that direct champion who is going to have an extra interest in their community.

**CHAIR:** Treasurer, as briefly mentioned in your opening statement earlier today and with reference to the Department of Aboriginal and Torres Strait Islander Partnerships Service Delivery Statements, specifically page 4, can you provide details of the success of the minister's department in helping to facilitate jobs for Aboriginal and Torres Strait Islander peoples, particularly in remote and regional Queensland?

**Mr PITT:** I thank the chair for the question. Earlier in response to a question from the member for Maroochydore I mentioned the jobs target of 400 and, of course, the jobs that we have delivered as a result of the 2015-16 year. I was looking at the wrong piece of paper. It was not 1,200 jobs; it was 1,021 jobs. As you can see, that has been an exceptional exceeding of the target. We have achieved that over the 2015-16 financial year. A figure of 78.4 per cent of Aboriginal and Torres Strait Islander Queenslanders were placed into job opportunities by DATSIP. Of that 78.4 per cent, they were still employed in that job three months later. Obviously, there has been a bedding down of the new employment opportunity, which will be critical to having long-term and sustainable jobs for those people who have had the job placements.

These job placements were successfully facilitated through various programs under our Economic Participation Program, including our Youth Employment Program, or YEP, and the Remote Indigenous Land and Infrastructure Program Office. Those areas have targeted placements across all regions. The YEP program, which I announced in May last year, has been a key contributor. It focuses on that important time when students are finishing their high school years and need to go into something to continue their journey, whether it be into further studies or a job. The Youth Employment Program is an important tool for those people who need assistance and guidance in taking their next step after high school.

The department delivers its Economic Participation Program in all regional and remote areas of Queensland through the office of the Deputy Director-General for Infrastructure and Coordination. The Remote Indigenous Land and Infrastructure Program Office, which is based in Cairns, has seven regional offices and nine service centres. We have core services delivered to our clients, focusing on facilitation of employment, skills development and business opportunities for Indigenous people and communities. The Remote Indigenous Land and Infrastructure Program Office also works with all discrete communities to implement the Queensland government's Building and Construction Training Policy in the rollout of Queensland government funded building and construction projects. That office has had a great deal of success. I would suggest that they have had a key role to play in working in partnership with the Department of Transport and Main Roads when it comes to the very big opportunity for people living on the Cape, which of course is the Peninsula Developmental Road.

We are going to see a lot more people directly employed on projects such as that one, as well more Indigenous businesses having the opportunity to tender for work and being successful. It is a big opportunity and it is not just about the build. I have stressed this on a number of occasions: when we talk about the Peninsula Developmental Road, this is about the maintenance work, that is, the work that will be ongoing, the continuing work that will allow businesses to establish, to continue to provide that work over the forward years. It is a big opportunity. We thank our partners, the federal government, for helping to deliver it. Again, I congratulate the Deputy Director-General, Allen Cunneen, and the Director-General, Clare O'Connor, for the work that they do to partner with the likes of Neil Scales from the Department of Transport and Main Roads. It is a good outcome. It is part of our overall success, as we have seen, in employment outcomes for Aboriginal and Torres Strait Islander people over the 2015-16 year.

**Mr PEGG:** With reference to the Department of Aboriginal and Torres Strait Islander Partnerships Service Delivery Statements, specifically page 4, can the Treasurer update the committee on how the department helps Aboriginal and Torres Strait Islander businesses with government procurement support?

**Mr PITT:** We certainly recognise that procurement is a key element of government where we can make a big difference, not just in Aboriginal and Torres Strait Islander communities but also across the state. It is very important that we use the levers that are offered by procurement to deliver good outcomes. It is a very direct role that government can play.

One way to encourage Indigenous business' capacity in this sector is to improve their integration into government and private supply chains. I mentioned earlier some of those opportunities that will be arising through the Peninsula Developmental Road. That is a great example of what you are talking about. Of course, this really will be achieved through looking at our whole-of-government procurement policy and ensuring that there is a very clear focus in that policy, that areas separate out Indigenous-specific opportunities. We will be developing a whole-of-government policy through our Moving Ahead strategy, which is about leveraging an increase in the government's procurement work and focusing on Indigenous outcomes. It is about building the proficiency of Indigenous businesses within the sector through the delivery of demand-led workshops, such as tendering to the Queensland government, again preparing that business capability statement, business growth strategies, as well as joint venture opportunities. Also, it is about assisting Queensland government agencies as principal

contractors to develop Indigenous economic opportunity plans for those building and construction projects that achieve Indigenous employment outcomes. Of course, there will also be a memorandum of understanding with industry, sector peaks and corporations to increase the participation in the labour market of key sectors.

DATSIP's program of work to increase procurement is paying dividends. We know that across a wide range of categories, including road construction such as in the example I have given, building and construction, business and administration services, management services, computer equipment and accessories, medical equipment and supplies, as well as classroom supplies: there is a wide range of areas being focused on. Data available to date reports that in the first three quarters of 2015-16, 215 Indigenous businesses contracted with the Queensland government for the provision of goods and services, totalling \$105.7 million. As the director-general referred to earlier, this compares to figures of \$26 million in 2012-13, \$35 million in 2013-14 and \$60 million in 2014-15, with 170 businesses. We have facilitated 19 workshops with the department of state development and two workshops with the Queensland Resources Council to nearly 290 Aboriginal and Torres Strait Islander businesses. DATSIP will continue to hold those workshops.

We think it is a very important focus, looking at areas such as construction and social services, supporting industry and business owners. For example, in 2016-18 DATSIP and DSD are delivering a suite of 10 businesses strategy workshops that assist businesses to recognise and implement an efficient business model, to be competitive in the marketplace. Through the government's QTenders system, DATSIP also proactively manages procurement opportunities, matching them with suitable Aboriginal and Torres Strait Islander businesses across the state through a wide regional network of offices that we have. Of course, the Queensland government spend is really important. It is not good enough to have only an Indigenous-specific procurement policy; that has to fit in very well with the overall government procurement policy. I am very happy to be working with the responsible ministers in that space, to deliver more outcomes.

**CHAIR:** Treasurer, my question is to you but there are only two minutes available for the answer. With reference to the Department of Aboriginal and Torres Strait Islander Partnerships Service Delivery Statements, specifically page 3, and further to your opening statement, can you provide an update on the success of the reparation of stolen wages program?

**Mr PITT:** The member would certainly know that it was a key election commitment to reopen the Stolen Wages Reparation Fund in Queensland. We made a \$21 million commitment, commencing in 2015-16. As we know, this was about trying to support people who had their wages or savings stolen or were treated differently under the protection acts of previous governments. Those payments commenced in December last year. Over the beginning part of our first year in office, we worked very hard to get the situation finalised and resolved through an important task force chaired by Aboriginal and Torres Strait Islander Social Justice Commissioner Mick Gooda. In reference to the work that Mr Gooda did in leading that task force, along with all of the task force members, they have my absolute admiration and appreciation. Some very difficult conversations were had. They took on board people's comments and concerns. They provided a report to government, in terms of how the scheme should be established, the parameters and the way that the money could be distributed.

On fulfilment of one of those recommendations Commissioner Gooda and I officially marked the closing of the Aborigines Welfare Fund. This was a symbolic gesture, but I think an important one, which recognised that this was the fund that was key to the stolen wages. Having that fund closed meant that this would never happen again.

When we talk about outcomes, payments commenced in December, as I mentioned. To date we have seen over \$5 million in payments made to more than 2,600 claimants. This fund has funding made available across the forward estimates. Clearly, this fund will continue to operate whilst we still have people making applications. We will continue to work with people, including broadening our criteria, to allow people to provide evidence for consideration of how those funds will be brought back to them.

I know that we are running short of time and need to close, but can I make a very brief statement to thank members of the committee. I certainly want to thank all members of the committee for their attendance and questioning today, including the chair, and those member who have come in as guest members. I will make a further statement after the sport section. The member for Maroochydore has sought leave to be here and I wanted to make sure I thanked her for her attendance.

**CHAIR:** I omitted to acknowledge the member for Maroochydore, Fiona Simpson, when we recommenced. I apologise for that. I thank her for her attendance today. I now welcome Jon Krause, the member for Beaudesert, who is going to join us for our consideration of the sports portfolio. The

committee will continuation with its examination of the portfolio of the Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport. We are dealing with sport portfolio for the next 30 minutes. I call the member for Beaudesert to start non-government questioning.

**Mr KRAUSE:** My first question relates to the Get in the Game funding allocations and criteria. In particular I refer to page 6 of the National Parks, Sport and Racing SDS. I refer to the answer to non-government question on notice No. 2 and note that for 2015-16 there seems to be a reduction in the 150 Get Started vouchers 150 issued of almost six per cent and the vouchers redeemed in the realm of nine per cent. This was a great initiative of the former LNP government. Is there a reason for this reduction in both the number of vouchers issued and the number of vouchers redeemed for Get Started?

**Mr PITT:** I thank the honourable member for his question and welcome him to the committee. I have said on a number of occasions that the Get in the Game initiative and all the various component parts, including the Get Started vouchers, was initiated under the former government. I have acknowledged that because I think it is a successful program and one that we have been very pleased to continue and work on with the department.

When people apply for the Get Started vouchers there needs to be a club which is registered to be part of the scheme. When you look at the differential between the vouchers that were actually allocated versus those redeemed we see a change from the initial rounds of the fund where the numbers were up to the numbers as time goes on. They start to wane. We have only recently opened the latest round of Get Started. The member would be very aware of the success of this program. It is very popular.

As at 2.10 pm today—and we have to talk about it being 2.10 because you never know what will happen by 4 pm; it is a very popular program—we had issued 11,088 vouchers. The way that those work in terms of being redeemed partly lies with the clubs themselves and the way that that relationship works. We are continuing to work and refine those opportunities. Where we do not see those vouchers redeemed, there is an opportunity to look at how that funding is carried through for future rounds?

**Mr KRAUSE:** There was a reduction of six per cent in the number of vouchers issued in 2015-16. You are not giving any clear answer as to why you think that happens. In relation to the non-redemption of vouchers, is the value attributed to those vouchers reinvested in the Get Started program?

**Mr PITT:** I just mentioned that at the end of my response to your question.

**Mr KRAUSE:** So it is rolled over from one year to the next.

**Mr PITT:** Yes, so if there is a gap in terms of those issued versus redeemed that is pulled through for future work on the round. I should mention too that when we talk about this fund we continue to look at the referral process. Obviously, there are some very clear guidelines as to who is able to get vouchers under the scheme. Going forward there might be people who may not meet that criteria but could be deemed to be by certain people in the community, including people within a school environment, local police et cetera. It is important that we have clear guidelines, but sometimes there will be people who will be in a situation of need who will well benefit from it. We are continuing to evolve the program.

**Mr KRAUSE:** Taking you back to the take-up, though, are you concerned that there was a six per cent reduction in the number of vouchers issued in 2015-16?

**Mr PITT:** I am not concerned by it. I would have to have a look at what the previous differentials have been with issuing versus redeemed to have a clear understanding of what the pattern looked like. I do know that the interest in the scheme is very high. There could be a number of reasons vouchers are not redeemed. A decision was made when people applied for the vouchers to start their chosen sport. You may then have family circumstances change and they are no longer taking it up due to a lack of interest in that sport or the family moving to a new area and the club there not being one that is assigned.

What we do know is that the budget is higher in this space. We are going to continue to push these vouchers out. They do not need much pushing. There is always a high degree of interest. We would like to improve the differential between the number of vouchers that are actually issued versus the number redeemed. A part of that comes back to, as I said, working closely with those clubs that are involved in the scheme so that we can get not only a high interest in the original uptake with the issuing but also a high level of redemption of the vouchers and hopefully keep people in their chosen sport as the start of a very long relationship with their chosen sport.



**Mr KRAUSE:** Given that it is a case of first in best dressed for vouchers, what measures are you putting in place to provide equity for kids in rural and regional Queensland who might have more difficulty accessing, for example, referees to complete an application so that they can get a voucher?

**Mr PITT:** There are a number of ways people can apply. I will ask the director-general to provide some statistics on the spread of people who are able to get it. We have measures in place to ensure that when we have the uptake across the state we do not have, for example, a certain part of South-East Queensland simply getting most of the vouchers because of the significant population and have people in remote parts of Queensland or in regional Queensland missing out. There are measures in place.

**Mr KRAUSE:** What measures are in place?

**Mr PITT:** That is what we are going to find so we can talk about the spread. I will refer to the director-general to provide that information to you.

**Mrs O'Shea:** With respect to each round we do an evaluation to see what worked and what did not work in the previous round. There were some findings in round 7. For example, 17 per cent of vouchers in round 7 were issued to children and young people who had never played club sport before. This was three per cent short of our target. There was an oversubscription to the program. There were complaints in regard to the misuse of referral agents. In response to that the department has implemented some measures to ensure that we are targeting better. We talk to each and every area and promote the program. We have done a much closer examination of the referral agent program.

With respect to the minister's request with regard to a breakdown of regional and rural Queensland in comparison to, say, South-East Queensland, we will endeavour to get that information for you before the end of the hearing. If not, we may have to take that on notice.

**Mr KRAUSE:** I do have a comparison of the vouchers issued and redeemed by electorate for rounds 6 and 7—that is, 2014-15 and 2015-16. My question was in relation to measures for rural and regional kids to access the voucher. Some of the examples given from the data are quite alarming. For example, in the electorate of Mount Isa there was a 65 per cent reduction in the number of vouchers issued in 2015-16 compared to 2014-15 and a 77 per cent reduction in the number of vouchers redeemed in Mount Isa in that year. I think there is some work to be done in providing fairer access for rural and regional kids in relation to this scheme. If you have more information about what you are doing to address those figures I would be more than willing to hear it.

**Mrs O'Shea:** I was wondering if the member would be prepared to share that information with the department so that we can perhaps be better informed in terms of a response?

**Mr KRAUSE:** I think it was provided to us through an answer to a question on notice from your department.

**Mrs O'Shea:** My apologies. I was not quite sure what you were referring to.

**Mr KRAUSE:** I think that rural and regional kids are at the top of the agenda.

**Mr PITT:** I think that is uncalled for. Can I make a response to the question. As Treasurer I look at employment figures every month. When we start talking about the statistical division that is outback Queensland there is a very small sample that is included there. You could have significant fluctuations. In terms of the percentages, even though that information has been provided, I think the raw numbers are important to look at in terms of how many were taken up. It does not take many people to actually redeem those vouchers to skew that quite considerably. I am happy to have a look at that in closer detail.

**CHAIR:** Treasurer are you going to take that question on notice?

**Mrs O'Shea:** I think we have. I did not realise the member was referring to a question on notice.

**CHAIR:** Will you take that particular question on notice?

**Mr PITT:** If there is further information the member is requiring in terms of the question on notice we are happy to take that on notice and provide that additional information.

**Mr KRAUSE:** More information about what you are doing to help rural and regional kids access the scheme would be helpful.

**Mr PITT:** The director-general says she can respond to you now.

**Mr KRAUSE:** I do have another question.

**Mr PITT:** The director-general will respond to the first question first.

**Mrs O'Shea:** I am advised that one of the major issues was Indigenous and rural children or their parents having access to computers. A lot of the access is done online. Access to electronic means is an issue that we will need to address.

**Mr KRAUSE:** I will move on from that. You mentioned before the referral agent criteria. What instigated the changes in the referral agent criteria?

**Mr PITT:** There was a review undertaken. As the director-general alluded to there was constant work done on that to ensure that those agents who are making the referrals are the appropriate people in the community to do that. Sometimes that can be based on an individual occasion where there is essentially a bad apple or someone who is trying to push people through the scheme who may not otherwise qualify. Clearly there are people like those in the Queensland Police Service who we think play a very important referral role. We are trying to broaden opportunities as much as possible.

I am obviously the minister but I am also the local member. I have people commenting on Facebook pages and the like. We hear a range of things expressed in terms of this particular scheme whereby somebody maybe is not on a pension card or they are unable to meet the standard criteria. It could be a single mum with four kids who is a working mum and who is actually doing her very best to ensure that she can get her kids into sport. We take those sorts of comments on board. They are only anecdotal, but we take them on board seriously, and that helps us frame how a person like that may be able to access the scheme. It is important that we continue to evolve the program.

Whilst it is a broad response to your question, this is a program we take seriously. It is all about increasing people's opportunity to get into sport and active recreation. Part of that comes back to broadening that criteria as well as dealing with those registered clubs to ensure that we have as many clubs as possible registered. Clearly the more clubs that are registered the more opportunity we will have to get vouchers issued and across a wider spread of sport and locations in Queensland.

**Mr KRAUSE:** Yet, despite those steps being taken, the number of vouchers issued has actually declined in the last financial year.

**Mr PITT:** I think the member is looking for a problem where there isn't one.

**Mr KRAUSE:** I would like as many vouchers as possible to be issued, Minister.

**CHAIR:** Let the minister answer the question, please.

**Mr PITT:** As I said at the outset, we think Get in the Game is a fantastic range of programs. Get Started is but one component of that. This is a program where most of the parameters had been set by the previous government. I am saying that we continue to evolve this. We are not trying to change this wholesale because we believe it is a very good program and a good suite of programs. In asking some of your questions, you may be referring to some of the initiatives that were put in place by the previous government when it was all instigated. We continue to try to work hard to get better outcomes with the program. You have heard some of those comments made by the director-general already today.

**Mr KRAUSE:** Why not allow the redemption of vouchers that are issued in one year in the following program? If the money rolls over, why can you not allow the redemption of vouchers that may not be redeemed in a particular period for whatever reason?

**Mr PITT:** From memory, we have two periods where we do this each year, and that is based particularly on the fact that you have summer and winter sports. It could be a long time before the sport for which a person has applied for a voucher in the first part of the year and is rolled over for a full year comes around again. They may also have chosen to come in at a separate time and we could push that money into a separate budget allocation for the winter sports as opposed to the summer sports. It is for a playing season. That is the way it is designed. It is the way it was constructed under the previous government when it was established. We are continuing the program. We think it is a program that is working very well. If you have some further comments, you can use this estimates opportunity, but I would welcome an opportunity to sit down with you if you have ideas on how to improve the program. We think it has a very good base and it is one that we could build on to create something very good which gives great outcomes to kids right across the state.

**CHAIR:** I now hand over to the member for Bundamba.

**Mrs MILLER:** Treasurer, I refer to page 6 of the SDS, which is about managing purpose-built sport and active recreation facilities. Several years ago the then treasurer Terry Mackenroth opened the new Redbank-Collingwood Park Sports Complex. The Queensland government paid for the building. This purpose-built sports centre is effectively off limits to our local sporting and community groups as the fees for hire are ridiculously high—for example, up to \$4,300 per day, I understand.

Treasurer, would you please consider an investigation into these fees so that sporting and community groups can access the building at reasonable fees or would it be possible for the management of this building to be taken over by your department?

**Mr PITT:** I thank the member for the question. I am not aware of the circumstances that you are talking about, but I am happy to take your question on notice and provide a response. I will be able to ascertain at that stage whether an investigation is indeed appropriate or whether there is something else that needs to be done. It is obviously a specific question about a centre within your electorate.

**Mrs MILLER:** Yes, and it was paid for—Terry Mackenroth was then the sports minister, so there was sports money that went into it.

**Mr PITT:** Yes, understood.

**Mrs MILLER:** There are karate clubs, Samoan sporting clubs, Sudanese sporting clubs and Congolese sporting clubs. They obviously cannot pay thousands of dollars per day to hire the complex. It is a major issue in our community. If you undertake to have a look the issues there, I would be very grateful, as would all of our community.

**Mr PITT:** I am very happy to have a look at that. Clearly when we invest government money in any sporting infrastructure, whether it is through our targeted infrastructure planning and development program or whether it is through Get Playing Plus, it is important that we understand the purpose for which the funding is being allocated, who is going to be using that and, of course, making sure that sport is accessible to people as a result of the infrastructure and that it is going to go some way to providing those opportunities. Whilst this was several years ago now—

**Mrs MILLER:** Yes, it is.

**Mr PITT:**—I am happy to have a look at that for you. I am certainly happy to take that on notice for you.

**Mrs MILLER:** Thank you. Would you please bear in mind that our community is not wealthy. We encourage them to play sport and be active in our community, but it is beyond their means to hire this facility.

**Mr PITT:** I am very happy to take it on notice.

**Mr PEGG:** In relation to page 7 of the National Parks, Sport and Racing Service Delivery Statement, can the minister advise the committee on the actions of the government in supporting athletes to reach their goals including selection in national teams?

**Mr PITT:** I thank the member for the question. Last week I was very pleased here at the parliament to send off a number of Queensland athletes who are going to be competing at the Olympics and at the Paralympics in Rio. The purpose of that was to wish them well and to thank them for the great role that they play in terms of being ambassadors in their sports and being role models to so many people around the state. It was also about those eligible Queensland athletes who we assist with the bonus grant of \$2,700 each. Although the final team for the Rio Olympics is not finalised until later this month, we certainly expect that we are going to have around \$350,000 out to athletes to assist them on their journey to Rio. The Australian Olympic team certainly will have a distinct and prominent Queensland flavour, with more than 70 of the state's elite athletes named on the team who are going to be competing against the best in the world. They will be at the opening ceremony on 5 August this year.

The high Queensland representation in the Olympic team would not be possible without the specialist expertise and support provided by the Queensland Academy of Sport. Our athletes are representing Australia in most of the Olympic sports, with swimming, athletics, hockey, sailing, canoeing, diving, shooting, water polo, archery and rowing looking the most likely to see Queenslanders coming back with medals from Rio. Whilst some Queensland athletes are making their Olympic debut, others are competing in their second, third, fourth and in some cases even their fifth games. It is a very long run thing for some of the athletes concerned.

Again, similar to the Olympic team, the Australian Paralympic team is yet to be determined, but I have no doubt again that we will be well represented there. Many Queensland athletes would not have reached the peak of their respective sports without the support of the Queensland Academy of Sport. They do a fantastic job. They support more than 600 athletes across 24 sports, with athletes located right throughout Queensland. When it comes to those areas of sports science, biomechanics, psychology, physiology, skill acquisition and medical services, there are a lot of things that happen that

people may not realise are on offer by the QAS. They are based at the Queensland Sport and Athletics Centre located at Nathan, with mobile services provided to athletes at locations throughout Queensland.

When we talk about our athletes, we have 107, not 70—I need to make sure I make that correction. It is a very big thing to represent your country whether it is in the Olympics or the Paralympics. As I say, it is not simply about the way that they have managed to get on to the Olympic team or the Paralympic team. I always say talent can only take you so far. They have clearly worked hard. This is something that will never be able taken away from them. Representing their country at an Olympic Games or a Paralympic Games is something that most people will never get to do. They are an elite and select group of people. I am sure that all members of the committee will join us in wishing them well for success in Rio.

**CHAIR:** In relation to page 6 of the National Parks, Sport and Racing SDS, can the Treasurer outline how the Palaszczuk government has boosted sports funding to help local clubs and local councils?

**Mr PITT:** I thank the member for the question. We know that the Get in the Game initiative is an important one. It is a three-year \$68 million program by the previous government which ended in June 2015. Under this government the following enhancements have been made to various programs. In terms of Get Started vouchers, \$6 million over three years was increased to \$8.8 million over three years; Get Going Clubs, \$2 million over three years was increased to \$10.3 million over three years; in terms of Get Playing Places and Spaces, \$8 million over three years was increased to \$28.7 million over three years.

Considering the high demand for these programs and the clear benefit of the projects funded, in July 2015 our government announced a new increased commitment of \$80 million over three years. This has since been increased to \$100 million in total through a number of funding boosts to grant rounds in the past year. The increased funding recognises the value of people participating in sport and active recreation in our community to ensure that we have greater support to individuals and to local and regional organisations like councils to deliver projects aimed at improving Queenslanders' participation rates and experiences in sport and active recreation.

The State Development Program 2017-2019 is a key investment in the sport and rec industry. This program includes \$30.6 million, with \$27.6 million of that allocated to an organisational development component and \$3 million allocated to special initiative categories. The core organisation support component includes an increased focus on governance, while retaining priorities on participation and grassroots service delivery; an introduction of simpler arrangements for smaller state level organisations run by volunteers with less than 200 full-time active members and service delivery in less than four regions; and consolidation of various grant funding opportunities available to state level organisations.

There are new special initiative categories. These are strategic projects—\$600,000 allocated to support innovative activities that enhance sport or active recreation; Indigenous sport grants—\$1.8 million allocated to deliver targeted sports programs in Indigenous communities; and regional championships—\$630,000 allocated to increase the number of state and national events held outside of South-East Queensland.

Certainly working with state sport organisations and local governments to deliver more sporting outcomes is great for local communities. I should say that, when it comes to our Get in the Game funding, Get in the Game is a broad program which is great. When we start looking at our Get Playing Plus infrastructure, we have seen recently the \$40 million that we put out as part of that program. When you look at the councils and local organisations and their co-contributions, we have been able to leverage that up to around \$120 million worth of value in terms of an increase in sports infrastructure in the state. It is a great outcome. We thank the 17 organisations and the 25 councils that have been involved in delivering that outcome. We think it is a great program that continues to deliver great things for people in Queensland.

**CHAIR:** Treasurer, there are two minutes to go. In relation to page 6 of the National Parks, Sport and Racing Service Delivery Statement, can the minister advise the committee on regional jobs created in regional communities supported through the Get in the Game initiative? If the Minister for Sport could answer in two minutes.

**Mr PITT:** I will do my very best. In terms of the Get in the Game initiative, I have already touched on the Get Playing Plus sport and rec infrastructure program, talking about the clubs and councils that are involved. As I said, we have been able to leverage the outcomes up quite considerably under that.

When we look at these projects, the result in direct creation is an estimated 339 full-time equivalent jobs for Queenslanders as a result of this—the program's two years of construction. There are direct jobs involved in the construction work that is involved in this infrastructure program. It might be a small thing compared to our overall government infrastructure spend of \$40 billion over four years, but clearly it is something that engages local communities. It involves local tradespeople. We are seeing great outcomes for sport and rec.

With the remaining time I have, I might wrap up. I say thank you to the member for Beaudesert for seeking leave to appear before the committee. We appreciate the questions and I know he shares, like me, a very keen interest in sport and rec in the state. He is certainly a good ambassador in his local area. I also thank the members of the committee and the chair for allowing me to appear before you today. I certainly want to thank the Hansard reporters and other parliamentary staff who make these days happen. We appreciate your hard work. I am quite surprised I have not coughed once into the microphone today. I was going to ask the Hansard reporters for their tolerance but it was not actually required in the end.

I thank my Treasury staff. In terms of Queensland Treasury, Jim Murphy, as well as Dennis Molloy, Mary-Anne Curtis and Mary-Anne Wilson, among many others, have done some terrific work in Queensland Treasury. I had the last session with Clare O'Connor, my Director-General of DATSIP, as well as Ron Weatherall and Allen Cunneen. I thank all the staff in the agency for their hard work in preparation for estimates. To Tamara O'Shea and the Deputy Director-General for Sport and Recreation Services, Richard Watson, as well as everyone else working in the department, we thank them for their hard work.

As a final element, I would like to thank my Chief of Staff, Jason Humphreys; my Treasury adviser, Lachlan Smith; my sports adviser, Bart Mellish; my DATSIP adviser, Richard Muller; and all the staff in my office who are always very diligent, hardworking and dedicated to providing good outcomes.

The final thing I wanted to mention was that we have a lot of hardworking people. I will not go through and name them all, but I want to say something about estimates. This is a really important time. It is a very important part of our parliamentary democracy. I value the opportunity to come and speak obviously not only to the positives in the budget and the elements that we have brought together but also to answer questions posed by non-government members including the opposition. I thank them for the spirit in which they have asked questions today. I again thank all parliamentary staff for their contribution.

**CHAIR:** The time allocated for consideration of the proposed expenditure for the areas of responsibility administered by the Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Sport has now expired. On behalf of the committee, I thank the Treasurer and the departmental officers for their cooperation. The committee has resolved that answers to any questions taken on notice or additional information must be provided to the committee secretariat by 3 pm on Friday, 22 July 2016. The committee has concluded its examination of matters relating to these portfolios. The committee will take a short break and resume at 5.30 pm to consider the areas of responsibility of the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs.

**Proceedings suspended from 5.16 pm to 5.30 pm**

## ESTIMATES—FINANCE AND ADMINISTRATION COMMITTEE—EMPLOYMENT AND INDUSTRIAL RELATIONS, RACING AND MULTICULTURAL AFFAIRS

### In Attendance

Hon. G Grace, Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs

Ms S Durham, Chief of Staff

#### **Queensland Treasury**

Mr J Murphy, Under Treasurer, Office of the Under Treasurer

Ms M Curtis, Deputy Under Treasurer, Economic Group

Dr S Blackwood, Deputy Director-General, Office of Industrial Relations

#### **WorkCover Queensland**

Mr T Hawkins, Chief Executive Officer

#### **Department of National Parks, Sport and Racing**

Mrs T O'Shea, Director-General

#### **Queensland Racing Integrity Commission**

Mr R Barnett, Racing Integrity Commissioner

#### **Racing Queensland**

Mr S Adams, Acting Chief Executive Officer

#### **Department of Communities, Child Safety and Disability Services**

Mr M Hogan, Deputy Director-General, Corporate and Executive Services

Mr A O'Brien, Chief Finance Officer, Corporate and Executive Services



**CHAIR:** On behalf of the committee, I welcome the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs, departmental officers and members of the public. I am Peter Russo MP, the member for Sunnybank and chair of the committee. Joining me on the committee are Mr Ray Stevens MP, deputy chair and member for Mermaid Beach; Mr Lachlan Millar MP, member for Gregory; Mrs Jo-Ann Miller MP, member for Bundamba; Mr Duncan Pegg MP, member for Stretton; and Mr Pat Weir MP, member for Condamine. The committee has also given leave for members to participate in the hearing today. I welcome Jarrod Bleijie MP, shadow minister for employment, industrial relations, skills and training and shadow minister for fair trade and member for Kawana.

The committee will now examine the Appropriation Bill 2016 and the estimates for the areas of responsibility administered by the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs. The committee will consider the estimates for these portfolios until 9.30 pm. The proceedings today are lawful proceedings and are subject to the standing rules and orders of the Queensland parliament. As such, I remind all visitors that any person admitted to this hearing may be excluded by order of the committee in accordance with standing order 208.

In relation to media coverage of the hearing, the committee has resolved to allow television film coverage and photography at all times during the hearing and in accordance with media broadcasting rules. The committee's hearing is being broadcast live via the Parliamentary Service's website and to receivers throughout the parliamentary precinct. Before we begin, I ask that all mobiles be either switched off or turned to silent mode and remind you that no calls are to be taken inside the hearing room. For the benefit of Hansard, I ask advisers if you are called to give an answer could you please state your name before speaking.

I now declare the proposed expenditure for the areas of responsibility administered by the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, the committee has resolved that you may make an opening statement of no more than five minutes. Do you wish to do so?

**Ms GRACE:** Yes, Chair, I do. Chair and committee members, job creation is the No. 1 priority of the Palaszczuk government. Since becoming employment minister, I have held 13 employment forums throughout regional Queensland and attended eight regional Working Queensland cabinet committee meetings to hear firsthand the challenges and opportunities facing regional Queensland. We have listened to employers, businesses and jobseekers and have taken on board their views as we seek to build on our solid job creation record. Since the state election, 36,600 extra jobs have been created according to the latest ABS labour force data released last week. There is more great news for youth jobs in Queensland with the government announcing today a doubling of the payroll tax rebate for employing apprentices and trainees to 50 per cent.

The recent lengthy federal election campaign may not have provided an ideal climate for job creation, but our policies do. The state budget includes a \$100 million Back to Work regional jobs package to support up to 8,000 jobs in regional Queensland, where the biggest employment challenges lie. It is exactly what regional Queensland needs, and I am pleased to announce new Back to Work officers are now on the job in Townsville, the south-west and Wide Bay, with others to be appointed in a total of seven locations throughout regional Queensland.

In line with our election commitment, we have returned fairness to Queensland workplaces, completing enterprise bargaining agreements with the majority of our public sector. We have also concluded the first major review of Queensland industrial laws in nearly 20 years and look forward to implementing the review recommendations. Our commitment to workplace health and safety and WorkCover remain key priorities. Queensland's WorkCover is the best workers compensation scheme in Australia. It maintains the country's lowest average premiums and is in a strong financial position. Recent amendments by this government provide injured workers with improved benefits including unlimited common law coverage.

In recognition of the importance of electrical safety, the government has reinstated the Electrical Safety Office and appointed the Queensland electrical safety commissioner and committees. We have also launched a statewide quad bike safety plan to cut quad bike related injuries and fatalities. Asbestos remains a serious workplace health and safety issue, with this government enforcing a zero tolerance approach to asbestos in new buildings since a nationwide importation ban was imposed in 2003.

Chair, Queensland's racing industry is in a stronger position following changes to the Racing Act and the introduction of the new Racing Integrity Act. Our new seven-member Racing Queensland board chaired by Steve Wilson has been appointed. Internationally renowned racing executive and veterinary surgeon Dr Eliot Forbes has been appointed as the new CEO of Racing Queensland from 22 August and his appointment has been widely welcomed by the industry as have all board appointments. The Racing Integrity Act includes the creation of a new independent, stand-alone Racing Integrity Commission headed by Commissioner Ross Barnett. QRIC gives Queensland the strongest animal welfare and integrity regime in the country, improving public confidence across the three codes. The \$21 million country racing support package demonstrates our support for country racing. It recognises the important social and economic role country racing plays in regional Queensland. I welcome the appointment of Queensland Racing ambassador Billy Slater, who will help to promote racing across all three codes throughout the state. With the commercial and integrity functions of racing now separated, the Queensland racing industry has the foundations to prosper well into the future.

As the proud daughter of Italian migrants, I have always valued the contribution of Queensland's multicultural communities. It was a proud moment for me as minister when state parliament passed the Multicultural Recognition Act in February and I would like to thank the opposition for their bipartisan support. The act formally recognises Queensland as a multicultural society, establishing the Multicultural Queensland Advisory Council and introducing a Multicultural Queensland Charter including the development of a policy and action plan. Also this year Queensland Multicultural Week will become Queensland Multicultural Month for the first time—a whole month full of celebrations to be enjoyed throughout Queensland, and I look forward to being part of the festivities in August.

**CHAIR:** I call the member for Kawana.

**Mr BLEIJIE:** I refer to SDS page 3 and SDS page 12 and to an article that appeared in the *Courier-Mail* on 15 January 2016 where you were quoted as saying—

"Youth unemployment is always difficult to address. I don't know that there's much you can change structurally," she said. "There's always an issue with youth unemployment. It's not new, it's been around a long time."

I also refer you to SDS page 12, industrial relations matters, and the fact that you have continuously said in the parliament that these matters are best dealt with by the federal government because of the referral many years ago. Minister, considering that you have been quoted in the *Courier-Mail* as saying that nothing can be done about youth unemployment and that industrial relations matters, you say, are always a federal responsibility, can you explain to the committee what you actually do for your \$300,000-plus salary every day?

**Ms GRACE:** I thank the honourable member for the question. I have addressed this question before from the honourable member in parliament. I will put it on the record once and for all. I was quoted completely out of context and I ask the member to refrain from using a quote that has been published completely out of context.

Let me make this clear: I will never stop working to improve youth unemployment in this state. When those statements were made to the journalist in relation to youth unemployment we were talking about the differentiation in the rate of youth unemployment and the rate of general unemployment as published by the ABS. The difference in the rate is what I was referring to, not youth unemployment per se. Let me make this clear again so you can refrain from asking me the same question over and over again and misquoting me when those quotes were completely out of context. I was referring to the differentiation in the rate of unemployment for youth as opposed to the general unemployment as quoted in the ABS. I will continually work very hard towards reducing the level of youth unemployment, which we know at the moment is a challenge, particularly in regional Queensland, which is why we have developed in the budget the Back to Work support package.

In relation to industrial relations, there is truth in the fact that you state that there was a hostile takeover by the Howard government in the mid-2000s of the Queensland state industrial relations system. That is a fact and that is what has happened.

**Mr BLEIJIE:** Point of order, Mr Chair. The minister is verballing me. I never said it was a hostile takeover by the Howard government. I said it was a referral of powers—

**CHAIR:** Member for Kawana, please. The minister is allowed to answer the question any which way she sees fit. I ask you not to interject but to allow the minister to answer the question. If you have a follow-on question after the completion of that, you are quite entitled to ask the next question. Please allow the minister to answer the question.

**Ms GRACE:** Thank you, Chair, and they were my words. It was a hostile takeover of the Queensland state industrial relations system by the Howard government. Consequently, in 2010 the government then referred the remaining industrial relations powers to the federal workplace commission under the Fair Work Act. That is an actual fact. They now lie under the jurisdiction of the federal government and the only jurisdiction that remains in Queensland, for the benefit of the member for Kawana, is the state jurisdiction that covers in essence the public sector, which is the Queensland government and local government employees. That is largely what the state system has jurisdiction over. The rest of it is under—for his benefit once again—the federal Workplace Relations Act administered under the jurisdiction of the federal government. You cannot go away from the situation as it is. It is what it is and that is how industrial relations are now regulated in this country.

**Mr BLEIJIE:** My question to the minister is in reference to SDS page 3, and the minister talked about the government's Back to Work program. My question is with respect to that employment package. Minister, I have a question from Sarah, who is 23 years old. Sarah has been unemployed for six months. She is non-skilled in terms of finishing school early and is not tertiary qualified or did not seek a trade or any other qualification. She is 23 years old, unskilled and she is a jobseeker. For many, many months now she has been applying for a job. This Sarah lives in your electorate of Brisbane Central. How do you explain to Sarah that the minister responsible for employment is discriminating against her because the Back to Work job policy is not applicable to Sarah because she lives in South-East Queensland?

**CHAIR:** Before the minister answers, could I ask the minister for Kawana to rephrase the question. It has an imputation that the minister is discriminating against an individual in her electorate.

**Mr BLEIJIE:** Thank you, Mr Chair, I will rephrase. Minister, with respect to your Back to Work policy, the government's own policy says that it applies not to particular parts of Queensland, including South-East Queensland. Sarah, who has been unemployed for six months, lives in South-East Queensland. Is it not a discrimination that we are targeting particular young people across Queensland in that someone in Townsville is able to access the government's program but a young unemployed person is not able to access the program in South-East Queensland?



**Ms GRACE:** I thank the honourable member for the question. Clearly the member has a very unusual view of discrimination, but that does not surprise me. The regional employment package follows a number of employment forums and a number of Queensland working cabinet meetings that were held around regional Queensland. The statistics speak for themselves. Regional Queensland at the moment is doing it tough, and I am sure the member for Condamine and the member for Gregory would agree with me here. We unashamedly have structured a back-to-work package where it is needed most to support employers and jobseekers in the regions. It is \$100 million package over two years which commenced on 1 July 2016. It provides payments for employers who take on an unemployed person ranging from a \$10,000 payment to \$15,000 for someone who has been long-term unemployed. Back-to-work teams are also there to help the locals, the jobseekers and the employers because what we found in the employment forums was that many employers and jobseekers had difficulty in not only working out where they can go to obtain services but also found great benefit in coming together and speaking about the issues in their areas so that they could then address them as a collective, and sometimes the second part was the most beneficial to them. I do not believe that because this is regionally focused where it is needed most, as have I said, that it is in some way discriminating. Many programs in relation—

**Mr BLEIJIE:** What about Sarah?

**Ms GRACE:** If the member would please allow me to finish.

**CHAIR:** Member for Kawana, please let the minister answer the question.

**Mr BLEIJIE:** I will let her answer the question, Mr Chair, but I asked about Sarah. If she wants to answer the question, that is great. Let us talk about Sarah.

**Ms GRACE:** I do not know who Sarah is and I doubt that you would know who Sarah is.

**Mr BLEIJIE:** Look on your electoral roll.

**Ms GRACE:** If you would like to provide me with Sarah's details, I am sure that my electoral office would be willing to provide Sarah with a number of areas where she could go to seek assistance from a number of services that available in the electorate of Brisbane Central. As I have said quite clearly—

**Mr BLEIJIE:** But not your jobs package.

**CHAIR:** The member is continuing to interject when the minister is speaking.

**Ms GRACE:** As I said quite clearly, the back-to-work package is unashamedly based in the regions where it is needed most, and we are looking forward to providing the 8,000 jobs that we are hoping this program will deliver.

**Mr BLEIJIE:** I am glad the minister spoke about the regional focus of this jobs package, because my next question is with respect to this jobs package in the region. Minister, a press release you issued on 25 January 2016 titled 'State government to host series of regional employment forums', which you have spoken about, talks about a few areas where you are going to have these regional employment forums in Queensland's major regional centres. You then issued a press release on 2 June 2016, 'Employment forum to generate job ideas for the Darling Downs residents'. I quote from this press release—

Employment Minister Grace Grace today met with business and community leaders from the Darling Downs—South West Queensland region to discuss ideas to generate employment opportunities for local residents.

...

"Today's forum provided a wonderful opportunity for local business and community leaders to discuss how the Queensland Government can continue to work with the community to support jobs," she said.

"It also provided a chance to work together to identify new opportunities and initiatives to generate local job creation.

**CHAIR:** I remind the member for Kawana that, under standing order 112B, the member may ask a question; not make a speech. I ask you to get to the point and ask the question.

**Mr BLEIJIE:** The final point and then to the question. The press release then concludes that the Palaszczuk government's top priority is about jobs focus. This employment forum was held in the great city of Toowoomba. The answer to your question on notice No. 3 excludes Toowoomba from your back-to-work policy. Minister, how can you have an employment forum in Toowoomba to talk about job creation initiatives and one month later announce a jobs package for the regions and then say that Toowoomba is not a region in Queensland; it is actually part of South-East Queensland.

**Ms GRACE:** I thank the honourable member for the question. The simple fact is that Toowoomba is an area that the Palaszczuk government is also concerned about in relation to jobs. When it comes to meeting with businesses, employers, jobseekers and service providers in Toowoomba, it was absolutely right that we meet. We also met on the Gold Coast. I have also had employment forums in Brisbane; they are not just for the regional centres.

The Back to Work Regional Employment Package is aimed at regional Queensland, but employment forums have been held throughout Queensland in order for us to determine what we can do with local businesses and employers in relation to the service providers, the mayors and the local governments to work out how best we can provide employment opportunities in their areas. The employment forums are not limited just to the regional areas where we have targeted the back-to-work programs. What those regional employment forums brought out was that it is those regional areas that desperately have the need; for example, in Toowoomba the unemployment rate is much lower and—

**Mr BLEIJIE:** 7.9 per cent.

**Ms GRACE:** But much lower than some of the other regional areas. You are quoting the employment rates. It has reduced down from 11.7 to 7.9 as of May 2016; therefore, clearly other areas where the unemployment rate is higher is where we believe there is a need. We do not want these regional areas to be competing with the south-east corner where there is obviously an intense population compared to out in the regional areas. I am sure the members for Condamine and Gregory would agree that, when you are competing with South-East Queensland, it makes it very difficult for regional centres to often take part in the employment programs that are available. We unashamedly, as I have said, have targeted the back-to-work program to regional centres, but that is not to say that we are forgetting about other parts of Queensland, particularly the south-east corner. The fact that we have held employment forums in the south-east corner demonstrates our commitment to job creation.

**Mr BLEIJIE:** Minister, is Toowoomba a region or is it South-East Queensland?

**Ms GRACE:** I thank the honourable member for the question. I think it is pretty clear. We have made it clear that Toowoomba is not part of the back-to-work program. We have had regional forums there. We have met with everyone. We are working with the local community, mayors, employers and businesses. We believe Toowoomba has a very bright future. They are doing extremely well in Toowoomba and we will continue to work with them.

**Mr BLEIJIE:** Minister, are you happy with the unemployment rate of 7.9 per cent? You are not including Toowoomba in the back-to-work package. Do I take that to mean that a 7.9 per cent youth unemployment rate is acceptable?

**Mr PEGG:** I rise to a point of order.

**Mr BLEIJIE:** Let me finish the question before you take a point of order.

**CHAIR:** What is your point of order?

**Mr PEGG:** Once again the member for Kawana is making an imputation which is in contravention of standing order 115, and I ask you to rule the question out of order and direct him accordingly.

**Mr STEVENS:** What was the imputation?

**Mr PEGG:** The imputation was that the minister was happy with an unemployment rate of 7.9 per cent in Toowoomba.

**Mr BLEIJIE:** I am sure the minister can tell us if she is or not.

**CHAIR:** Order! I ask the member for Kawana to rephrase the question.

**Mr BLEIJIE:** Does the minister think that the youth unemployment rate in Toowoomba of 7.9 per cent is acceptable?

**Ms GRACE:** I thank the honourable member for the question. As I have said before, I am not happy with any level of unemployment, and job creation is the No. 1 priority for the Palaszczuk government. To imply that somehow I am 'happy' at levels of unemployment is disrespectful and does not take into account my long-term fight for jobs in this state.

In relation to areas of the south-east corner, we have a number of programs. For example, the apprenticeship and trainees payroll tax rebate which we have just announced has increased from 25 per cent to 50 per cent and is available for people in the south-east corner. There are other programs such as Skilling Queenslanders for Work and a number of Advance Queensland programs that we have announced, not only in the previous budget, but that we have continued and enhanced in this budget here as well. There are many programs for unemployed people in the south-east corner.

**Mr PEGG:** I refer to page 3 of the Treasury SDS and its reference to the Back to Work Regional Employment Package and I ask: could the minister outline the key elements of the back-to-work package and advise of any alternative approaches.

**Ms GRACE:** I thank the honourable member for the question. The Back to Work Regional Employment Package is a two-year \$100 million package giving businesses the confidence to employ regional jobseekers and providing an economic boost to regions facing challenging times. The world is in a transition following the unwinding of the commodities boom. Economies and jobs are changing. Queensland is not immune. We know that some regions, some employers and some jobseekers need a confidence and support boost in order to gain employment. Back to work is a package of assistance aimed squarely at those regions and those individuals who need our help the most. Back to work provides support for employers to build their skills base, support for regions doing it tough and support for jobseekers to build confidence, upskill and retrain for jobs in a more agile Queensland economy.

The key elements of the back-to-work package are: \$80 million for support payments for employers to take on regional jobseekers, including long-term unemployed jobseekers—those unemployed for 12 months or over; \$10 million for additional training for eligible jobseekers to gain the skills they need to work through back to work certificate III guaranteed boost; and \$10 million for back-to-work officers to work with local employers and build regional employment solutions. Officers will also help create the capacity needed to meet emerging needs through networks and other innovative ideas and also support jobseekers.

In terms of the support payments available to employers, payments of up to \$10,000 will be available to employers who hire a jobseeker and keep them on for 12 months or more and payments of up to \$15,000 for employers who take on a long-term unemployed person, that is, a person who has been unemployed, as I said, for 12 months or more. Part-time jobs between 20 and 34 hours per week on average will attract 75 per cent of the full support payment. The payments will be made in two parts: 40 per cent after one month of employment and acceptance on the application; and 60 per cent on the completion of 12 months continuous employment.

We have put this package together following extensive consultation, all of the regional forums and all of the regional meetings that we have held. In comparison we had a botched-up, put-together plan from the LNP which, in my assessment, does nothing compared to what the back-to-work program does. We believe the support payments are wrongly targeted at the end of an apprenticeship, so we are not sure how long an employer has to wait before any payment is made under the LNP package. We provide comprehensive support and we extend it to all jobseekers; we have not just cocooned it to young Queenslanders.

If we want to talk about the definition of discrimination then it would follow, if I accepted the member for Kawana's argument, that they would be discriminating against other jobseekers because their program is targeted at young jobseekers. You cannot have it one way and then implement a program that does exactly the same. I refuted your argument on discrimination, but it is interesting that your own program discriminates against all jobseekers in front of young people. Maybe we should talk to Sarah, who is 23, about your package to see exactly how that would be helping her.

Labor supports job creation in relation to the boosting of training and skills. We hear talk of 20,000 jobs, and really all the program is providing is a voucher to buy some tools of the trade and somehow that equates to 20,000 jobs. Can I remind the opposition that vouchers are not jobs. I have never known an employer to say, 'Have you got your voucher for your tools? I'll give you a job.' Crazy stuff! There was misrepresentation in the press releases that have been put out. Vouchers do not equate to jobs. Our program is far superior and, we are hoping, will deliver good employment outcomes in regional Queensland.

**Mrs MILLER:** I refer to page 6 of the SDS. Minister, Ipswich is a proud regional city. We regard ourselves as a regional city, yet everyone in my electorate is excluded from this program. I would ask you to please reconsider Ipswich in relation to this program.

**Ms GRACE:** I thank the honourable member for the question. We would obviously say that we want to help all jobseekers to obtain employment, and we have a number of programs that would be available to your citizens in Ipswich in relation to employment and work. We have unashamedly targeted Back to Work—as I have said, we believe it is good policy—in regional Queensland where they are doing it tough. I know that people are doing it tough in Ipswich as well.

**Mrs MILLER:** They are not doing it any tougher than my punters, I can tell you.

**Ms GRACE:** People are doing it tough in other areas. We know that there are many programs in Ipswich such as Skilling Queenslanders for Work and some very good programs that I have spoken about with the assistant minister, Jennifer Howard, in relation to the Ipswich area that are producing very solid outcomes such as Skilling Queenslanders for Work and the rebate for apprentices and trainees which has now been increased to 50 per cent for a payroll tax rebate. They are all areas of policy that are available to people in Ipswich, particularly to those who are unemployed. It is my understanding that unemployment is currently 8.1 per cent in Ipswich, and that is down from 8.6 per cent when the LNP left office, and youth unemployment is 12.7 per cent, down almost five points from 17.6 per cent in January 2015 when we took office. There have been some very good programs in Ipswich that have delivered outcomes. At this point in time I say to the member that the Back to Work package is regionally focused, but of course we are always anxious in job creation and we can look at whatever programs we may be able to enhance in relation to other areas. I think a point that is relevant to make is that there is greater access to job opportunities in Brisbane and the Gold Coast compared to those in regional locations.

**Mrs MILLER:** As a follow-up question, I note that the Back to Work website talks about the fact that the person who is accepted into this program has to pay for some component of the training. What I want to know is how this program is being implemented. For example, do you get the job first and then match the person or people to that job and then have the training or do you have the person who wants a job and you put them in training and hope to God they get a job out of it? How does it work in reality?

**Ms GRACE:** I thank the honourable member for the question, but there is no payment by the jobseekers for any training. There is the availability for jobseekers to obtain—

**Mrs MILLER:** It is on your website, Minister.

**Ms GRACE:** No, I think you may have misinterpreted. With all due respect to the member, there is \$10 million in the budget in relation to certificate 3. The Back to Work officers can ensure that if upskilling is required that payment will be made out of that amount of money. If there is wording, member for Bundamba, that is confusing or wrong, I will certainly take that on notice and ensure that amendments are made. As I have pointed out, there are three areas. There is the \$10 million for the certificate 3 boost, so any training required to help the jobseeker get work is available through that fund. There is also \$10 million for the Back to Work officers who will be the on-the-ground connection. An employer who puts on a long-term unemployed is entitled to the cash rebates, so they will be—

**Mrs MILLER:** Minister, can I just stop you there.

**Ms GRACE:** Just a moment; just let me finish this thought. It will be the employer who will be submitting for the payments and they will be made in two lots according to the rules.

**Mrs MILLER:** Minister, the devil is always in the detail. I am on the Queensland government website of the Back to Work Regional Employment Package. The reason why I am asking this question is because the person has to actually pay part of the training and under, 'How much will I have to pay for training?' it says—

If you are eligible for funding through the Certificate 3 Guarantee Boost we will subsidise the costs of your accredited training. This program is designed to make training affordable for you, however you will need to pay some of your training costs. Your Back to Work Jobseeker Officer will talk to you about costs before you are registered in training.

Minister, what I am getting at here is that there are other areas of regional Queensland where the ordinary person who is out of work simply cannot afford to co-contribute to this type of training. That is what I am concerned about. I am not being critical of you, Minister. What I am saying is that that could turn people off from even applying for this. It is clearly—and I have it up here now—Back to Work Regional Employment Package. What I want to know from an officer is this: for people in this package, what do they actually have to pay for themselves? You can take it on notice. I am happy for it to be taken on notice.

**Ms GRACE:** I understand now where you are going. The training package is probably more in relation to the component when you are taking—

**Mr STEVENS:** Out of context again, is it?

**Ms GRACE:** No, it is not and I do not need your interruption; thank you, member. It is after assessing an individual's existing qualifications. As you know, there have been a number of payments made to people who already have a certificate 3. If they do not have one, then my understanding is that they will be entitled to have payment for the certificate 3. For existing qualifications and potential training needs, eligible employees will be referred to a subsidised training opportunity that is linked to strong employment outcomes. If there is the opportunity for them to then upskill and do another certificate 3

boost that links them to an opportunity, they will be eligible for that and the government will subsidise the costs of the accredited training, although a student contribution fee may be required depending on the situation.

**Mrs MILLER:** That is right.

**Ms GRACE:** You are right; I am sorry about that in relation to that issue. It was based upon the assessment of whether they have already done a certificate 3 and the money is there to assist them to get one in the first place after the assessment. If they need a particular one, it could be subsidised. The rates of course will be dependent on what certificate 3 will be required. They are varied and I do not have exactly what those different rates are for the different certificate 3s here with me. I am happy to take that on notice and provide you with the relevant information that we can obtain.

**Mrs MILLER:** Yes. I would like to know with the program developed so far the average cost or the costs that each person who has participated have had to pay themselves. I want to move on in relation to the training providers. Do you prefer the public provider through TAFE or private providers? Who chooses the provider? Is it the person who is being trained that chooses the provider? Is it the public servant who chooses the provider?

**Ms GRACE:** I think that it will be an arrangement that will be sorted out on the available services in the area. I think it may be a discussion that would be had with the Back to Work officers in relation to which the unemployed person prefers. Depending on those costs and where they wish to go, I am sure that those kinds of things would be worked out. As part of the information that I have here, they will be fee free for students in terms of those that have not done those before. We have put Back to Work officers on the ground to work with jobseekers because they can work out the best arrangement for them to obtain that position. I think it will be a collaboration of what is available at the best value for money for the jobseeker with the Back to Work officer working on the best way to deliver that training.

**Mrs MILLER:** In some cases—

**CHAIR:** Sorry to interrupt, member for Bundamba, but time is up. I hand over to the member for Kawana.

**Mr BLEIJIE:** Thank you, Mr Chair. Just for the record, those were government questions in the government's time, not opposition questions. You would think they were dorothy dixers, but they were not.

**CHAIR:** Member for Kawana, stop the commentary and just ask the question.

**Mrs MILLER:** Better I asked them than you!

**Mr BLEIJIE:** Thank you, member for Bundamba. Minister, in answer to a question before you asked me with respect to Sarah. You asked me a question with respect to how Sarah would feel about the LNP policy. My answer to that question, Minister, that you asked me directly before was Sarah is eligible for the LNP back to work policy and she would be entitled to that even though she lives in your electorate where, under the Labor Party policy, she would not be entitled to that funding.

**Ms GRACE:** No, but entitled to a lot more other benefits.

**Mr BLEIJIE:** My question is with respect to an answer to a question on notice the minister has already given to this committee in relation to the SDS at page 3 and non-government question on notice No. 2 in relation to the Back to Work program. Minister, it says in there that there is no turnover cap. That means your program could apply to businesses like Coles and Woolworths. Is that correct?

**Ms GRACE:** That is correct. If businesses are located in the regions and they wish to apply for the Back to Work employment support package and they are providing jobs for unemployed young people, mature age people, people from a non-English-speaking background or people from an Aboriginal and Torres Strait Islander background, they would be entitled as long as it is a genuine job, that the job is in the region and they are putting on staff. They would be eligible if they wished to apply for the \$10,000 and \$15,000 Back to Work support package.

**Mr BLEIJIE:** Thank you, Minister, for confirming that. Minister, do you consider that it is good value for taxpayers to have taxpayers' money given in handouts to multibillion-dollar companies like you have just admitted whereby we have ascertained in this committee that—

**CHAIR:** Excuse me, member for Kawana. I understand you are seeking an opinion. Could you ask a question?

**Mr BLEIJIE:** Minister, is it value for taxpayers' money to be giving government handouts to multinationals?

**Ms GRACE:** I thank the honourable member for the question. I guess the point I wish to make is this: in the regions the opportunities for people to obtain jobs are fairly limited and that what we want to encourage is a focus on jobs—genuine jobs that are sustainable and that provide the worker—the unemployed person—with a job. That is the outcome that we are seeking. If this support is available to those employers in the regions that have genuine jobs for genuine jobseekers and that will get them from unemployment and into a job, we think that that is money well spent in the regions because of the limited opportunities that regional Queensland often presents to give jobs to not only young people but people from non-English-speaking backgrounds, people from Aboriginal and Torres Strait Islander backgrounds and mature age workers. We will encourage all businesses and all employers in the regions—small business, medium business, large business—to put on staff and to invest in people to give them the training that they need to give them a sustainable job. Yes, we believe that the program is focused in the right area.

**Mr BLEIJIE:** Minister, the CCIQ have recently said in the paper publicly that the difficulty with your jobs policy—the Back to Work policy—applying only to the regions is that in some of the regions that you have specified the jobs are not necessarily there and yet it does not apply in regions like the member for Bundamba's electorate, which she ascertained before, and Toowoomba which, on your own admission, is excluded. Sometimes the jobs are just not there. How does the minister answer the CCIQ's criticism that you should have a policy based all around Queensland, not just the regions, because in some regions the jobs are not there or available?

**Ms GRACE:** I thank the honourable member for the question. CCIQ also praised the government's program in another article, and I think you are selectively quoting the CCIQ. This is exactly the reason why we have developed the Back to Work regional support program package and it is something that I think the member for Kawana fails to understand. What employers have said to us is that the economy is in transition—

**Mr BLEIJIE:** I understand you have to have employers there to get the grants.

**CHAIR:** Member for Kawana—

**Mr BLEIJIE:** I take personal reflection on that and I ask her to withdraw her comments with respect to me.

**Ms GRACE:** I withdraw. The economy is in transition in the traditional areas with the mining downturn, droughts, a shift away from different areas of employment and obviously the services sector is growing. What employers and businesses clearly said to us is that any support package that we can provide to give them that confidence, to give them that support and give them the ability to diversify, to look at other areas and to look at other markets is exactly what they were looking for.

A lot of them felt encouraged that they would be able to do that if there was some support that enabled them to put a worker on board, that would give them the opportunity to see whether they could move into other areas of the economy, that would provide those genuine, sustainable jobs. That is what this program is focused on and aimed at. That is what it is. The jobs may not be there right now, but what it does is give businesses the confidence if they are looking at other markets, they are looking at diversifying, they are looking at opening up an area that they have not looked at before. For example, I visited Bundaberg and visited Austchilli, a fantastic factory that does amazing work in regard to the provision of chillies and other products throughout all of Australia. They are looking at workers, because they are looking at different markets. They are looking at putting people on. This will assist that company. This is exactly what they want. Mr De Paoli said that the Back to Work program hits the nail on the head, because it gives them the ability to look at other markets, put on workers and see how it goes. They are looking to do exactly that.

This program is pro business, it is pro looking at other ways that they can do business, trying to grow the regions in different areas, because the traditional areas of employment have dried up. These employers are saying, 'We want to expand. We want to look at other markets. We want to extend our markets,' but they are a bit nervous to do so. This gives them the support that they need to put a worker on board. I quote Nick Behrens from the CCIQ. He said—

Anything we can do to assist small business to employ an additional Queenslanders we think is a fantastic idea.

This is a good idea. It is pro business, it is pro giving them the support and the confidence that they may need to start to diversify, to look at other markets. We have had intense discussions in employment forums that I have attended where this exact issue was discussed in relation to what are the challenges that they are facing but, more importantly, what are the opportunities. It is those opportunities that we are targeting with these regional employee assistance schemes.

**Mr BLEIJIE:** Minister, why did you not consult with the CCIQ prior to announcing this Back to Work policy?

**Ms GRACE:** I thank the honourable member for the question. This is a budget initiative that we put in place. We consulted throughout all of Queensland in relation to the package that we have put together.

**Mr BLEIJIE:** Before, before.

**Ms GRACE:** This is a part of the Working Queensland Cabinet Committee. We met throughout regional Queensland and it was unashamedly a committee put together to liaise and discuss with regional employers, local governments and businesses about their needs, looking at the opportunities, looking at the challenges and framing a Back to Work package that will assist those employers in those areas.

Can I say that employers such as CCIQ, the Ai Group and the agricultural employers association were all invited to the many employment forums. To suggest that somehow we did not discuss what we were doing—discuss the employment needs of the regions with members of employer associations—is incorrect. We believe that this program is well targeted. It is regionally based. It is there to support and give employers confidence to put on in genuine jobs genuine workers. I am hoping that the regional members will get behind this. I am hoping to come out to some of our regions to launch Back to Work Gregory, Back to Work Condamine—Back to Work programs in your areas where we can get employers focused on putting on a jobseeker, looking at ways they can expand their markets and take advantage of this great package in the regions, where often they are competing unfairly with the south-east corner. We want you to get behind us and to help us get those unemployed people into genuine jobs in your regional areas.

**Mr BLEIJIE:** Thank you, Minister. I appreciate the filibustering that is going on here but, with respect—

**Mr PEGG:** Point of order, Mr Chair. Once again, the member for Kawana is making an imputation. I ask you to direct him accordingly.

**Mr BLEIJIE:** Is that what the book told you to say? Is that what the book said to you to say? The speaking points? Thank you, Mr Chair. I will refrain from using that.

**CHAIR:** Thank you.

**Mr BLEIJIE:** Minister, with respect to page 3 of the SDS and the Back to Work policy and other measures of employment, I refer to your charter letter issued on 29 January 2016, where it says under 'Employment'—

Work closely with the Minister for Training and Skills to support the work of Jobs Queensland (as an independent statutory authority).

Minister, we have ascertained already what you were quoted as saying in the *Courier-Mail* about youth unemployment. It was ascertained earlier this morning in the estimates that Jobs Queensland has not even been established. There is no permanent, full-time board of Jobs Queensland. It is a major commitment of the Palaszczuk Labor government. It is in your charter letter that you will work closely with it. Minister, what have you done with respect to Jobs Queensland? Obviously, your expertise has not been appreciated or acknowledged, because it has not started yet.

**Ms GRACE:** I thank the honourable member for the question. Jobs Queensland is an independent statutory entity to provide strategic advice to the government on priority and emerging skills demand and future workforce planning. The Jobs Queensland interim reference group had its first meeting on 28 January 2016 and has been meeting monthly since. It has had six meetings to date.

**Mr BLEIJIE:** Have you been to any of those meetings?

**Ms GRACE:** To somehow suggest that no work has happened in relation to Jobs Queensland—

**Mr BLEIJIE:** Have you been to any of those meetings?

**Ms GRACE:**—is incorrect. The Jobs Queensland interim reference group is chaired by—

**Mr BLEIJIE:** You have not?

**Ms GRACE:** Sorry, chair.

**CHAIR:** Minister, just one moment.

**Mr BLEIJIE:** You have not been to any meetings?

**CHAIR:** Can the member for Kawana just allow the minister to answer the question.

**Mr BLEIJIE:** Mr Chair, point of order. I debate that she is actually answering the question.

**CHAIR:** No, the minister is entitled to answer the question in whichever way she chooses.

**Mr BLEIJIE:** Or not answer; that is correct.

**CHAIR:** Or not answer it. Just let the minister answer her question and then if you have a follow-up question you can ask that. It is your time.

**Mr BLEIJIE:** Thank you, Mr Chair. Could you ask the minister to stop filibustering and answer the question?

**CHAIR:** I ask the member for Kawana to cease his interjections. His comments are unhelpful to the whole proceedings. I ask the minister to continue.

**Ms GRACE:** Thank you, chair. I think that I was asked in relation to Jobs Queensland and what it has been doing.

**Mr BLEIJIE:** And what expertise you have brought to it.

**CHAIR:** I ask the member for Kawana to stop interjecting.

**Mr BLEIJIE:** Point of order, Mr Chair. The minister said, 'I think I was asked.' I was clarifying what she was asked. It seemed that she did not understand what she was asked.

**CHAIR:** The minister has the floor. Allow the minister to answer.

**Ms GRACE:** The Jobs Queensland interim reference group is chaired by Rachel Hunter, a very well-credentialed and eminent figure in the Queensland VET sector. They will be involved in a wideranging skills matrix, providing advice, looking at the responsibility for the oversight on the skills due to the NDIS, developing a project for Queensland's apprenticeship and trainee system. They will be doing many other things. I understand that this falls mainly under the portfolio of the Attorney-General and that the full-time composition of Jobs Queensland will be announced soon. I will leave it to the Attorney-General to make that announcement.

**Mr BLEIJIE:** Thank you. Your charter letter says that the Premier has directed you to work closely with the Minister for Training.

**CHAIR:** Member for Kawana, there is one minute left.

**Mr BLEIJIE:** Thank you. Your charter letter, directed by the Premier, says that you will work closely with the Minister for Training and Skills. With respect, Minister, to me, 'working closely' does not let you just regurgitate how many meetings. What closeness have you had to the Jobs Queensland establishment? It has not been established. It has a temporary office in Ipswich. It has a temporary board. How closely have you been associated with this establishment of Jobs Queensland?

**Ms GRACE:** I have answered that question.

**Mr BLEIJIE:** No, you have not.

**Ms GRACE:** It is in my charter letter. I have been working with the Attorney-General, who is about to make an announcement in relation to the make-up of Jobs Queensland. I will wait for the Attorney-General to make the announcement.

**Mr BLEIJIE:** I am asking how closely you have worked.

**Ms GRACE:** I have answered the question.

**Mr BLEIJIE:** No, you have not.

**CHAIR:** I will move to questions by government members.

**Mr PEGG:** I refer to page 6 of the Treasury SDS and its reference to the Back to Work regional employment package, and I ask: could the minister outline the eligibility requirements for employers and jobseekers to access support under the program?

**Ms GRACE:** I thank the honourable member for the question. All employers who hire an eligible employee for a regional Queensland job are eligible, except for government entities including local, state and federal government, government owned corporations and statutory bodies. Employers will be asked to certify that they have a good workplace safety and industrial relations record, they are committed to ongoing employment of the employee, and the employee has not displaced an existing worker. We want it to be genuine employers for genuine jobseekers. If the employer has a good workplace safety or industrial relations record, if the employer has complied with relevant state and



Commonwealth industrial and employment laws and/or has respected the rights of employees under those laws—this includes but is not limited to laws about industrial relations, occupational health and safety, workers compensation, discrimination, immigration and taxation.

An eligible employee is a person who is a permanent resident living in Queensland who was unemployed for at least four weeks directly prior to commencing employment with the eligible employer. A long-term unemployed is defined as unemployed for 52 weeks or more. Also, the person has not worked for the employer in the previous 12 months. We want to make sure this is not something that is being used unfairly. We want it to be genuine. I am hoping that we can get some of these genuine ones in your areas. The person has had to commence work for the eligible employer on or after 1 July 2016 and has worked for the employer for at least four weeks prior to the application. So they have them on board, they are pretty sure they are who they want, and then they apply.

An eligible job must be located in regional Queensland, not be a job contract with a third party, such as a labour hire company or group training organisation. We want these to be direct employment opportunities and not all of these tiered contracting or ABN type of employment, which we know has caused a lot of angst with the Fair Work Ombudsman recently. The job must be at least 20 hours per week on average and not offer full-time salary or wages above \$120,000 per annum. It is based in those areas where people are applying for jobs and can have an opportunity to do so. There is pro rata, of course, for part-time. Payments are available for apprenticeships and traineeships where the employer is not eligible for the Queensland apprentice trainee rebate for payroll tax which, as we know, we have just recently doubled to 50 per cent—a very good incentive for a lot of employers.

**CHAIR:** Minister, I refer to page 6 of the Treasury SDS and reference to the Back to Work regional employment package. I ask: could the minister explain why the package is focused on the regions and excludes South-East Queensland?

**Ms GRACE:** I thank the honourable member for the question. I know that there have been other questions in relation to this, but I think that it is important to get this on the record quite clearly. The Back to Work regional employment package is designed to give businesses the confidence and support to employ regional jobseekers and to provide an economic boost to regions, which are facing challenging times. With the drought and the slowdown in the resources sector continuing to challenge Queensland's regions, Back to Work is focused on outside the south-east corner—supporting the Wide Bay-Burnett area, North Queensland, Far North Queensland, the Mackay-Whitsunday area, Central Queensland and the north-west and south-west regions.

South-East Queensland, we know, has been defined. That is clearly available in relation to what constitutes South-East Queensland but, clearly, from the Working Queensland Cabinet Committee meetings that we held around regional Queensland, all of the employment forums—about 13 in total—that I have held since becoming employment minister around the region, it became apparent, with the unemployment rates in those areas, that they needed some focused and targeted level of support. It has been widely welcomed around regional Queensland by all sectors—by local governments, by businesses, by employers, by jobseekers. They are ecstatic that this is a program that is focused on the regions. Many people have come out in support of this program.

We have found that employers have made it very clear that they will now consider a jobseeker for their job. I want to quote, for example, the Managing Director of the Great Northern Laundry in Townsville, Mark Bogiatzis. He said that anything that helps this town get back on its feet is a good thing—and this is Townsville. He said further that this is a breath of fresh air to see the people from the south-east corner realise there is more to the state. I think in a way he has summed it up.

**CHAIR:** Thank you, Minister.

**Mrs MILLER:** Minister, I refer to page 6 of the SDS. How many public servants are involved in this scheme? Are those public servants in the regions?

**Ms GRACE:** Yes, they are. The Back to Work officers will be located in the regions. We have already announced Townsville and the Wide Bay area. They will be throughout the seven locations that I mentioned in my opening speech. We are in the process of appointing those officers.

**Mrs MILLER:** How many all up?

**Ms GRACE:** There will be two in each of the seven regions: one dedicated to employers and businesses and one dedicated to the jobseekers. We have some on the ground already in Maryborough, Hervey Bay, Townsville and other areas. Far North Queensland, Mackay-Whitsunday, Central Queensland, north-west and south-west will all have Back to Work officers on the ground.

**Mrs MILLER:** What is the Public Service level? What AO level are they?

**Ms GRACE:** I am sorry?

**Mrs MILLER:** What Public Service level are they to be appointed at?

**Ms GRACE:** That is an operational question. I probably need to refer to one of the deputy directors-general in relation to what level they believe is the appropriate level. It is an operational matter, not a ministerial one. I think it is best to be responded to by the department.

**Ms Curtis:** The Back to Work employer officers will be largely employed through the Department of State Development and the jobseeker officers—

**Mrs MILLER:** I did not ask that, with respect. I want to know what level they are? Are they an AO5? An AO8? An SO? That is all I want to know. It tells me where they are in the system.

**Ms Curtis:** Apologies. I might just have to check that.

**Mrs MILLER:** Take it on notice.

**Ms Curtis:** We will take it on notice.

**CHAIR:** Take it on notice please, Minister.

**Ms GRACE:** We can get that to you.

**Mr MILLAR:** Western Queensland.

**Ms GRACE:** No, we will not forget it. I am coming out soon.

**CHAIR:** We are breaking for dinner. We will resume at 7.30 pm

**Proceedings suspended from 6.32 pm to 7.30 pm**



**CHAIR:** The committee will now resume its hearing. I call the member for Kawana.

**Mr BLEIJIE:** If I can direct my questions to Dr Blackwood, please. Can you explain to me, with respect to page 12 of the Queensland Treasury SDS, the appointment of Mr Brad O'Carroll, formerly of the Plumbers Union? Can you explain to me what Mr O'Carroll does in the department, please?

**Dr Blackwood:** I can advise you that Mr O'Carroll was employed for a period of four months as a temporary employee to undertake some work for us in relation to the building and construction industry. That period was from 10 February 2016 to 24 June.

**Mr BLEIJIE:** 2016?

**Dr Blackwood:** That's right.

**Mr BLEIJIE:** What was his role?

**Dr Blackwood:** He was appointed to a temporary A07 position in the Office of Industrial Relations and he performed project work in relation to the industrial relations policy and regulation area and he did some work for us in relation to the building and construction industry. As the deputy director-general I can employ people on temporary employment contracts. As far as I was concerned, Mr O'Carroll had the expertise that I considered was necessary to undertake the project that we were looking at.

**Mr BLEIJIE:** What project was that?

**Dr Blackwood:** It was looking at the building and construction industry guidelines and their efficacy and how they were going. Obviously from our point of view—Mr O'Carroll had been previously secretary of the Plumbers Union, he had been a member of the Q Leave board from 2007 to 2010, he was also a member of the Work Health and Safety board appointed from 22 March 2014 to 21 March—

**Mr BLEIJIE:** I appreciate that, Dr Blackwood.

**Dr Blackwood:** So from our perspective, yes, we did employ Mr O'Carroll, to answer your question.

**Mr BLEIJIE:** Did you, upon his appointment or prior to his employment when you were looking at that particular project for what he was meant to be doing, or anyone in the department, have any conversations or issue any briefing notes to either the minister or anyone in the minister's office about the pending appointment of Mr O'Carroll to that particular task?

**Dr Blackwood:** No, we did not.

**Mr BLEIJIE:** Then why is it when the minister was asked in parliament about this the minister had quite a comprehensive prepared parliamentary question which she read from and even to the extent that the minister knew that Mr O'Carroll was appointed at an AO7 role? Is it normal for ministers to be provided with—

**CHAIR:** Excuse me, member for Kawana. You are asking the deputy director-general to express an opinion about something that the minister said in parliament.

**Mr BLEIJIE:** I will rephrase it, Mr Chair. Deputy director-general, is it the normal course of business for the department to provide ministers possible parliamentary questions for roles that are designated AO7 administrative roles?

**Dr Blackwood:** I am not sure of your question. What happened was that we employed Mr O'Carroll in February and there was a question raised in the *Australian* on 23 May 2016. At that point there was an expectation there would be further questions about it. That was some three months after Mr O'Carroll was employed by us and, I thought, for a project that he was able to undertake. It was a project that came up that we wanted some work done quickly on. We made the decision to employ him and then some months later an issue was raised in the *Australian* about our employment.

**Mr BLEIJIE:** Thank you. I am not sure if you answered my question before with respect to did you or anyone in your department have any discussions prior to the appointment of Mr O'Carroll with respect to the minister?

**Dr Blackwood:** I have answered that question. I think you got confused. I said no in relation to that.

**Mr BLEIJIE:** With respect, thank you for that. Let us not be confused about the next question: did you, Dr Blackwood, consider it a conflict of interest in your mind when you appointed Mr O'Carroll from the Plumbers Union that the chief of staff to the minister was also a previous operations manager of the Queensland branch of the Plumbers Union? Did it not cross your mind that there is a possible conflict between the appointment of Mr O'Carroll and the chief of staff in the minister's office?

**Dr Blackwood:** No, not at all.

**Mr PEGG:** Point of order. My point of order is that the member for Kawana is once again asking for an opinion in contravention of standing order 115 and I ask you to rule his question out of order.

**Mr BLEIJIE:** I will rephrase it, Mr Chair.

**CHAIR:** Has he answered it though.

**Mr BLEIJIE:** He has answered the question so I will accept the answer, thank you. I have another question to Dr Blackwood. With respect to answer to question on notice No.7, which was in reference to SDS page 12 in relation to public sector industrial relations and how many meetings have departmental officials had with Michael Ravbar in 2015-16, the department says they have had no meetings in relation to public sector industrial relations with Mr Ravbar in 2016. Has the department had any meetings with Mr Ravbar?

**Dr Blackwood:** Yes, we have.

**Mr BLEIJIE:** What were those meetings in relation to, Dr Blackwood?

**Dr Blackwood:** Let's see. We had a meeting in the last few months on health and safety matters.

**Ms GRACE:** Where is that referred to in the SDS?

**Mr BLEIJIE:** I will let you finish then I will answer the interjection from the minister.

**CHAIR:** Before we go any further, can the member for Kawana clarify where this is in the SDS?

**Mr BLEIJIE:** Yes, I can. If Dr Blackwood turns to page 12 of the Treasury SDS, services from this department—industrial relations policy and regulation, work health and safety services, electrical safety services, workers compensation services, administration of the Industrial Court and commission system, public sector industrial relations—and the question on notice that the department has already answered. I fail to see how it is not relevant when the minister has even answered a question on notice about it.

**Ms GRACE:** Because it is already answered.

**Mr BLEIJIE:** No, it is not answered. I asked the question with respect to private sector or any other industrial relations matters, which Dr Blackwood is answering. Keep going, Dr Blackwood, thank you.

**Dr Blackwood:** If you are asking over the last 12 months, I think, without going through all our records, that I recollect two meetings that we have had.

**Mr BLEIJIE:** Two meetings?

**Dr Blackwood:** Yes, on different matters.

**Mr BLEIJIE:** If you recollect the two meetings, what were they in relation to?

**Dr Blackwood:** They were in relation to workplace health and safety matters.

**Mr BLEIJIE:** On 2 February 2016 Michael Ravbar from the CFMEU and senior ministerial staff and the minister and departmental staff, as noted in the minister's diary on 2 February 2016, met in the minister's office. Were you present at that meeting?

**Dr Blackwood:** I don't think I was, no.

**Mr BLEIJIE:** Departmental staff? Do you know—

**Dr Blackwood:** I am not sure who was there, but I am sure we can find that out.

**CHAIR:** Sorry to interrupt you, Dr Blackwood, and member for Kawana. The deputy director-general has answered the question. He said he was not there. You then asked him who was there. I find it a little bit difficult, unless Dr Blackwood has powers.

**Mr STEVENS:** Mr Chair, Dr Blackwood may have had a delegate there in his place. That is basically the question.

**Dr Blackwood:** And that is probably correct, but I cannot recollect for 2 February 2016. We can find out.

**Mr BLEIJIE:** Thank you. Mr Chair, let it be noted that Dr Blackwood said he can find out for us.

**CHAIR:** Minister, do you wish to take the question on notice?

**Ms GRACE:** I am not sure exactly what the member for Kawana is asking. Could he just clarify exactly what it is he is after in relation to a meeting that my office had with Mr Ravbar. Depending on the clarification of the question, that will determine whether we take it on notice or not.

**Mr BLEIJIE:** Would you like me to speak slower?

**Ms GRACE:** Yes, please. Please do.

**Mr BLEIJIE:** In the meeting on 2 February—

**Ms GRACE:** Slower, please.

**Mr BLEIJIE:** I understand this is your first estimates and you may not be experienced—

**Ms GRACE:** Slow. Nice and slow, please.

**Mr BLEIJIE:** I understand you may need it to get this through. I want to know who was at the meeting with Michael Ravbar who has been subject to adverse findings of a federal royal commission. I want to know who was at the meeting and I want to know what the meeting was about.

**Ms GRACE:** I will answer that question. I do not intend to take it on notice. My diaries are public.

**Mr BLEIJIE:** Not the information. Protection racket?

**Ms GRACE:** They are published in line with the relevant guidelines.

**Mr BLEIJIE:** Protection racket.

**Ms GRACE:** That was some time ago in relation to that meeting. My diaries are public and I am more than happy to leave it at that.

**Mr BLEIJIE:** Let the record show that the minister will not disclose—

**Ms GRACE:** I will confirm that I met with Mr Ravbar on that day. He was in my office. I know that some of my advisers were present and we discussed a range of very relevant issues and there is no problem with that. It is all public. It is in my diary. I do not intend to take any question on notice in relation to my publicly released diaries.

**Mr BLEIJIE:** So relevant are these matters you refuse to disclose what the actual matters were. I will let the record show. If I could move to my next question to the minister. Minister, there has been substantial industrial action at the Carrara sports precinct with respect to the Commonwealth Games. Why has the government taken no action with respect to the industrial action on those sites?

**Ms GRACE:** I thank the honourable member for the question. I think that it is important that he does realise that industrial relations is governed in the federal area. When he talks about substantial industrial action on the Carrara site, my understanding was that there recently has been action taken by Fair Work Building and Construction. I am just trying to find some information in relation to this. As I have said, this is governed under the federal industrial relations system. A Federal Court injunction was applied for by the FWBC. It sought an injunction in the Federal Court to bring an end to the stop-work

meetings that were continuing to be held at the Commonwealth Games site. It was not industrial action per se; my understanding is that they were holding two-hour meetings on the site under the terms of their agreement. There was an allegation that those meetings were not being held under the proper reasons for them being established and quite clearly the FWBC has sought some action in relation to that matter. The Federal Court has listed that matter for a five-day hearing from 25 July and that is to seek penalties against the CFMEU and officials for engaging in certain behaviour. That is the right area that it should be placed in.

These things are in relation to enterprise bargaining. It was happening during the federal election campaign. As you know, the federal Prime Minister actually called an election in relation to the ABCC. This has been a very hot political issue. These are issues that are best dealt with by negotiation in terms of the federal rules and regulations. It shows that they are actually working because the site is back to work and orders were made. The meetings were being held and my understanding is that these meetings now cannot occur until a certain time. All I can say is that this is under the federal jurisdiction, they are matters to do with enterprise bargaining. The federal workplace commission and the FWBC have taken the appropriate action. That is the area under which it belongs and that action has been taken and they are now before the courts.

**Mr BLEIJIE:** Dr Blackwood, in relation to the minister's answer there, with respect to protected action that is taken—and I understand the referral of powers, et cetera—can you confirm to the committee that under the Fair Work Act the state minister does have power to intervene in a matter or refer a matter to Fair Work for investigation, particularly with respect to protected action?

**Ms GRACE:** I am happy to take the question.

**Mr BLEIJIE:** I have asked Dr Blackwood, thank you.

**CHAIR:** Can I be clear: is this seeking—

**Mr STEVENS:** It is not a legal opinion.

**Mr BLEIJIE:** I am not asking for a legal opinion. I am just saying that, as the department advises the industrial relations minister with respect to industrial action, whether protected or unprotected, the minister has certain powers at a state level, despite the referral to the Commonwealth. Is it correct that the department, from time to time, will provide the advice to a minister with respect to whether the minister can or cannot intervene in such matters?

**Dr Blackwood:** We have in the past. The only issue that the state minister can do is consider where there is an industrial dispute of major significance—and we did get advice previously in 2012 and 2013 and were able to provide it and, again, this would have been the same in this case, that there is nothing that the minister would have been able to do. In terms of this dispute at Carrara, what was happening was that the people involved were exercising their rights under the enterprise bargaining agreement. The minister has outlined what happened in relation to that matter, how it was referred through to the Fair Work Commission and the action that the parties had taken in relation to that matter. In that case, in terms of the Commonwealth Games project, we would not see, from a departmental point of view, that there would be any action that the minister could effectively take in the jurisdiction.

**Mr BLEIJIE:** Thank you, Dr Blackwood. With respect to the Carrara Sports Precinct, has the minister requested any departmental advice with respect to her possible actions or obligations under the legislation?

**Dr Blackwood:** Yes. We have provided the minister with advice on that.

**Mr BLEIJIE:** I seek leave to table a document from the Fair Work Commission.

**CHAIR:** Is leave granted? Leave is granted.

**Mr BLEIJIE:** For the benefit of committee members, I table 10 copies. Dr Blackwood, the Fair Work info from the government website states—

The Fair Work Commission can make an order to suspend or terminate protected industrial action on its own initiative, or on application by:

...

- the Minister for Employment
- a Minister of a State or Territory that has referred certain industrial relations powers to the Commonwealth.

Is that your understanding of the legislation?

**Dr Blackwood:** That is right, yes.

**Mr BLEIJIE:** The state minister does have a role with respect to protected action. If the Fair Work Commission is looking to suspend or terminate protected action, the state minister can involve himself or herself in that particular action; is that your understanding?

**Dr Blackwood:** You can, but obviously in doing that you have to look at what the Fair Work Act provides for and the circumstances in which a state minister would think that they could intervene in such a matter. As I said before, we had taken advice in 2012 and 2013 in relation to, in particular, a dispute that occurred—one or two disputes; a hospital dispute. It highlighted that the state minister would not get anywhere in relation to taking action.

**Mr BLEIJIE:** Thank you, Dr Blackwood. Mr Chair, could I have Mr Hawkins from WorkCover, please. I put on record, Mr Hawkins, my good wishes to you when you retire at the end of the year.

**Mr Hawkins:** Thank you very much.

**Mr BLEIJIE:** With respect to your replacement as CEO and with respect to the selection panel that has been established, is highly respected public servant Katarina Carroll on that selection panel?

**Mr Hawkins:** I do not believe so, no.

**Mr BLEIJIE:** Mr Hawkins, was Katarina Carroll ever considered, to be on that selection panel?

**Ms GRACE:** Mr Hawkins is not on the selection panel. It is not appropriate.

**Mr Hawkins:** I am not on the selection panel.

**Mr BLEIJIE:** Under Treasurer, who is on the selection panel?

**Mr Murphy:** The selection panel is Flavia Gobbo, the chair Glenn Ferguson and myself.

**Mr BLEIJIE:** Under Treasurer, was Ms Carroll ever considered a reservist for that?

**Mr Murphy:** I am not aware of that. I was asked to be on it.

**Ms GRACE:** I can answer that.

**Mr BLEIJIE:** That is fine. I am happy with the Under Treasurer answering the question.

**Mr Murphy:** I was asked to be on the panel by the Treasurer and the minister for employment.

**Mr BLEIJIE:** Where is the selection panel up to with respect to the replacement? Are there any candidates?

**Mr Murphy:** It was advertised. There were about 25 applicants. It was through Head Hunters. They did a report for the panel. The first round of interviews has occurred. Four people were interviewed. They were short listed and interviewed. Now the panel reconvened and we have gone back to Head Hunters to seek to interview more people who had applied.

**Mr BLEIJIE:** Thank you, Under Treasurer. Minister, with respect to SDS 3 and your role as employment minister—

**Ms GRACE:** Is not this industrial relations?

**Mr BLEIJIE:** This is your estimates, Minister, SDS 3. You are the employment minister. With respect to these estimates and SDS 3, have you had any advice with respect to the government's alcohol laws and how many job losses will be made because of the reduction in trading hours and lockout laws starting next year, particularly in the electorate of Brisbane Central?

**Ms GRACE:** I thank the honourable member for the question. Clearly, you are asking me about laws that do not come under my portfolio, but under the portfolio of the Attorney-General.

**Mr BLEIJIE:** I am sorry; I thought you were the employment minister for the state. I am happy to ask the Attorney-General on Thursday.

**Ms GRACE:** The alcohol laws do not fall under my portfolio. That is a statement of fact.

**Mr BLEIJIE:** But employment falls under you.

**Ms GRACE:** They fall under the laws of the Attorney-General. You were the Attorney-General in this state previously, under the LNP government.

**Mr BLEIJIE:** We had much better laws than you, I can tell you that.

**Ms GRACE:** I thought that you may have been aware that that was the case.

**Mr BLEIJIE:** I am; that is why I am asking you the question.

**CHAIR:** Member for Kawana, order!

**Ms GRACE:** I am now making you aware that they fall under the laws of the Attorney-General.

**Mr BLEIJIE:** So there is no impact on employment? You have no view on this?

**CHAIR:** Order!

**Mr BLEIJIE:** The minister has no view on the alcohol policy that she is implementing.

**CHAIR:** Order, member for Kawana! I remind you that you are here at the leave of the committee and leave may be withdrawn at any stage.

**Ms GRACE:** I am happy to continue answering the question, Chair. The alcohol laws have not come in at this stage. Clearly, the—

**Mr BLEIJIE:** I am sorry? They were passed.

**Ms GRACE:** The alcohol laws in relation to lockouts. There have been the laws from 1 July, which is 2 am and 3 am in certain areas. They have come in. Clearly, we are looking to see. I have a very keen interest in relation to what happens in Brisbane Central. You do not have to remind me about my electorate. I know more about it than you will ever know. We will certainly find out how these laws impact and we will analyse that. However, we are not going to guess or estimate. We are not going to throw around figures, like you are at the moment. You have no basis for the figures that you are bandying around. There is no indication and no set examples to show that the losses that you are claiming are correct by any statement. I am not going to embark upon a scare-mongering campaign, like yourself, in my electorate, which I know a hell of a lot better than you do.

**CHAIR:** I move to government questions. I hand over to the member for Stretton.

**Mr PEGG:** With reference to page 3 of the Treasury SDS and its reference to the Industrial Relations Legislative Reform Reference Group report, can the minister advise what the government is doing to ensure Queensland's industrial relations laws and tribunals are fair and balanced?

**Ms GRACE:** I thank the honourable member for the question. This government is committed to ensuring that Queensland has a modern and effective industrial relations system that serves the interests of both workers and employers into the future. That is why this government has implemented a number of key industrial relations reforms to restore important safeguards for state and local government employees, including reinstating employment security for public servants, protections against the contracting out of government services and restoring the independence of the Queensland Industrial Relations Commission.

This government is also considering additional reforms that have been proposed following the first major review of Queensland industrial relations laws since 1998. That review has made a series of recommendations to promote fairness and balance in Queensland's industrial relations framework and has consulted widely. I thank Jim McGowan for heading that review and bringing down a very good report. The recommendations include establishing a state anti-workplace bullying jurisdiction, amongst other things; adopting the general protection and adverse action provisions of the Fair Work Act 2009; the introduction of domestic and family violence leave, which the government has accepted and we have made announcements in relation to that—we believe that it is a magnificent step forward in the very dramatic area of domestic and family violence; and changes to bargaining arrangements, including modelling how collective bargaining should operate in Queensland.

The government will continue, unlike others, to consult with all stakeholders and the public on the recommendations to ensure Queensland has modern, updated industrial relations law towards the end of 2016. We will hopefully make sure that those laws work for all parties in the industrial relations system. We also want to ensure that our commitment to the people of Queensland when we went to the state election is fulfilled by ensuring that we have a balanced and fair IR system in the state.

**CHAIR:** Minister, I refer to page 12 of the Treasury SDS and its reference to workers compensation initiatives. Can you provide information on the current financial status of the scheme and the level of workers compensation premiums?

**Ms GRACE:** I can advise the committee that the WorkCover board has recommended—and this has been announced—that the average targeted premium rate remains unchanged at \$1.20 for the 2016-17 year. The Queensland average premium rate remains the lowest of all centrally funded workers compensation schemes in the country. This is great news for business and also for workers. The WorkCover board's decision in setting the average premium rate for 2016-17 took into account the Palaszczuk government's removal of the harsh and unfair threshold to access common law damages introduced by the previous LNP minister for industrial relations, the member for Kawana.

The greater than five per cent degree of permanent impairment threshold has been removed, which has resulted in many workers who were denied access to common law damages now being able to receive benefits. I can report that, as at 9 June 2016, \$3.1 million of additional lump sum payments have been paid to 147 injured workers who were denied access under the previous LNP government. The WorkCover board's decision in setting the average premium rate also took into account the cost of the additional lump sum compensation legislated by the government in recognition of the adverse impact the threshold would have on the injured workers ineligible to access common law damages during the period of the harsh LNP laws from 15 October 2013 to 30 January 2015. Therefore, the rate takes all of that into account for those workers injured during that time. The Palaszczuk government introduced an additional lump sum compensation entitlement for injured workers denied their common law rights by the LNP government. The figures that I have just referred to are the figures that have been paid out so far.

WorkCover Queensland's end of financial year accounts have not been audited. However, I can advise based on the last quarterly report provided to me by the chair of the WorkCover Queensland board that as at 30 June 2016 WorkCover is in a very sound financial position. WorkCover's total equity is \$1.726 billion. WorkCover's ratio of assets to liabilities is 162 per cent. I am advised that it has improved substantially over the financial year, based on budget estimates. The committee should note that WorkCover's solvency is strong when compared to other centrally funded workers compensation schemes. WorkCover Queensland continues, as I said, to have the lowest average premium rates—\$1.20 per \$100 of wages paid—in the country.

**Mrs MILLER:** I refer to page 12 of the SDS in relation to workers compensation. Minister, the re-emergence of black lung in Queensland could be the worst workplace health disaster in Australia's history. In relation to the re-emergence of black lung amongst retired coalminers, what is the process for these retired miners to claim compensation?

**Ms GRACE:** I thank the honourable member for the question. The government shares your concern. Minister Anthony Lynham shares a deep concern in relation to the re-emergence of black lung or pneumoconiosis. The reports of all the issues affecting workers are very concerning.

We want to ensure that their right to make a claim does not expire because they have ceased or retired. It is a latent onset disease, as we know. It is similar to asbestos related diseases in that regard. Clearly, we want to make sure that these workers who have been diagnosed with black lung receive their full workers compensation entitlements.

The CEO of WorkCover Queensland is here tonight. We have already had initial meetings. At a recent meeting with unions ministers talked about a process of getting the workers compensation board and the department together to discuss ways we can implement a similar scheme to that which was implemented to fast-track workers' claims that were diagnosed with asbestosis or mesothelioma. We know that it is not exactly the same, but a process was put in place in relation to that back in the mid-2000s. It saved a lot of workers the angst of having common law claims considered et cetera.

We are having some initial discussions with WorkCover and the department. We hope to land on something that will give workers benefits for these terrible latent onset diseases like black lung. In relation to asbestos related diseases there was a maximum lump sum payment based on the averaging out of common law claims at that time without a need to go to common law.

**Mrs MILLER:** What was that figure?

**Ms GRACE:** The statutory lump sum figure was \$314,920. Then there was additional lump sum compensation of \$314,920. I think that is right. It depended on their age and the severity of the disease at the time—whether or not it was terminal—how elderly they were and that type of thing.

I am hoping that we can come up with something similar that will give mine workers with this terrible disease full access and full rights to workers compensation without delaying claims management and without having to go to common law. We hope we can come up with something that we can go to the workers, to their unions and to mine employers and discuss—that is, a process through WorkCover that will properly compensate all these workers.

**Mrs MILLER:** I have another question in relation to that and it relates particularly to the retired coalminers of Ipswich, many of whom spent 30 or more years underground. In fact, it was not uncommon for miners in Ipswich to spend 45 years underground. My concern is that when a number of these miners retired or even beforehand tried to get compensation for hearing loss they actually gave up the process because it was too hard for them to get through the workers compensation process at the time.



My concern is that it will be too difficult a process for them to go through. These miners are from 70 to around 95 years of age. Some of them are in nursing homes. They are very concerned that it is going to be too stressful on them and their families. I would like to know what will be put in place to help them and their families actually go through this process? I would like a rough idea of when this process will be landed on, as you say, Minister? How quickly will the X-rays of these older gentlemen be read because they might pass away before they can actually make a claim?

**Ms GRACE:** I thank the honourable member for the question. The situation that you are explaining is really no different to that of a lot of workers suffering from asbestos related diseases. Many of them were retired and many were elderly. Many of them found out about this later on. What the workers compensation board did—and I was around at the time that decision was made in the mid-2000s—was make it a very simple, easy to access and streamlined and quick process.

I am sure that Tony Hawkins, the CEO of WorkCover, would be more than happy to add to what I have said about that streamlined process. I have not had one complaint in relation to how WorkCover dealt with those claims once the process was put in place.

What we hope to achieve is something similar. I have already flagged this. We are going to have meetings about how it would relate to pneumoconiosis, or black lung, and those who are retired. There is no age based limits to applying for compensation if it is a latent onset disease. These are ways we worked around the asbestos related disease. I see these as being quite similar in the way they could be handled.

I can assure the member that I will be striving for something similar to what was put in place for asbestos related diseases in very elderly people as well. We will make the process as quick, as easy and as user friendly as we probably can. I know that the CEO of WorkCover, Tony Hawkins, has the same idea in mind because he was instrumental in putting in place the process for the sufferers of asbestosis or mesothelioma.

**Mrs MILLER:** These elderly gentleman spent their lives down a coalmine in Ipswich, some in tunnels that were not very wide. They could not even see their hands in front of them with their miner's lamps, such was the dust that they were breathing in and working in. What I want to know is will WorkCover pay for their X-rays? Will WorkCover pay for the interpretation of those X-rays, which I understand can only be done in the United States at the moment?

**Ms GRACE:** That is an operational matter and I think I will refer that to the WorkCover CEO.

**Mr Hawkins:** The minister was referring to mesothelioma and asbestos related diseases. We had quite a significant amount of work that we did before that to get to that stage. To be honest, black lung, whilst it has re-emerged, has only been fairly recent. We are certainly looking at it. At the moment we probably have about 14 or 15 claims that have come through to us.

**Mrs MILLER:** They are expecting a tsunami of claims.

**Mr Hawkins:** Absolutely. This has now become quite public so we will get that. As the minister said, we need to look at the process that we will adopt going through. In normal circumstances if there was a claim made we would pay for those sorts of medical expenses.

**Mrs MILLER:** My understanding is that if a miner who is elderly goes to a GP and asks for an X-ray they cannot claim under Medicare because it is work related. Therefore, some of these retired miners cannot afford to get it done. I want to know what process can be put in place now? What happens to miners in my electorate who are in their 70s or 80s who go to their GP, as they are advised to do by the advertisements of the Queensland government, and cannot claim this on Medicare? Do they apply to you first and then you say that they were obviously a miner so you will pay for it?

**Mr Hawkins:** Clearly, if the claim is a valid claim and it is deemed accepted by WorkCover as a latent onset claim we would pay for that particular medical expense.

**Mrs MILLER:** Do you pay for the investigation? You will not know whether it is black lung until they go to the doctor, get the X-rays and it is proven that it is black lung. What I am trying to say is that those initial costs, which can be several thousands of dollars, they cannot afford. They are all on the pension. Who pays up-front?

**Mr Hawkins:** I understand the question. I guess that is the same for any particular claim that comes to WorkCover. If it is a claim we will pay.

**Mrs MILLER:** So it is a catch 22, in other words?

**Mr Hawkins:** You are asking me the question. I do not know the answer. They could be going for a disease that we do not know has anything to do with work. I understand—

**Mrs MILLER:** No, it is black lung.

**Mr Hawkins:** The first thing you are going to say is that it is to do with work, and it probably is. If that is the case, the claim will be accepted and they will be paid.

**Mrs MILLER:** So they basically have to risk it? They have to risk going to the doctor, risk paying for the X-rays and if it is black lung you tick it and they get paid and compensation is paid. If it is not black lung, they have to wear the costs themselves?

**Mr Hawkins:** I think the answer to that would be reasonable. If it is not a workers compensation claim—

**Ms GRACE:** It is paid by Medicare.

**Mrs MILLER:** Minister, they cannot afford it.

**CHAIR:** I think we have exhausted that question.

**Mr PEGG:** With reference to page 12 of the Queensland Treasury Service Delivery Statements, can the minister update the committee on actions the department is taking under the statewide strategic plan for the safe management of asbestos in Queensland?

**Ms GRACE:** I thank the honourable member for the question. It is an important question. Workplace Health and Safety Queensland is a lead agency for coordinating asbestos regulation and incident response, ensuring there is a seamless approach to managing asbestos issues between agencies. This is a key goal for the *Statewide strategic plan for the safe management of asbestos in Queensland 2014 to 2019*.

The strategic plan sets out initiatives to minimise the risk of exposure to asbestos, provide integrated government service delivery and improve community awareness about asbestos. Workplace Health and Safety Queensland coordinates the interagency asbestos group, comprising senior officers from relevant state agencies. This group is currently working on issues regarding the disposal of asbestos waste by home owners. A pilot scheme is planned for late 2016 to provide a safe and efficient means for home owners to dispose of asbestos waste. It is intended to reduce illegal dumping of asbestos and encourage people to safely dispose of asbestos waste found in their home or yards.

There has been a steady reduction in the number of asbestos related complaints since 2010. That is an encouraging sign that the strategic plan and interagency asbestos group are improving industry compliance and public awareness of the risks of asbestos.

In 2010, for example, Workplace Health and Safety Queensland received 733 asbestos related complaints compared to only 148 complaints in 2015. Workplace Health and Safety Queensland continues to enhance its community education and public awareness campaign about asbestos related matters. I am glad to have on board Queensland Rugby League legend Trevor Gillmeister, 'the Axe', who has continued in his role as the asbestos awareness ambassador, making public appearances at stores like Bunnings and during Safe Work Month events.

We have two really passionate advocates for the safe use of asbestos in Don and Julie Sager, who tragically lost their son, Adam, to mesothelioma. He was very young. I believe he was 25 years old. They are also safety advocates visiting businesses to raise awareness about the risk of exposure to asbestos.

As many of you would know, recently—about a week ago—workers on the site of 1 William Street uncovered imported gasket sheet material containing asbestos. Thanks to the swift action of union members and delegates on site, the site has since been decontaminated and all workers are safely back at work. We make no apology in taking a zero tolerance to the presence of asbestos on new building sites, particularly as there has been a ban on imported asbestos products since 2003 in this country. Clearly this ban is not working.

The Commonwealth government in our view needs to step up to the plate and stop the importation of products containing asbestos once and for all. We are implementing a zero tolerance approach. I have written recently to the federal minister responsible, Peter Dutton, to request that he tighten controls and act to ensure that the 2003 ban on the importation of this deadly substance is 100 per cent effective. Unfortunately, we talk tough on border protection, but we have not talked as tough on stopping asbestos products coming into this country on new building sites which are supposed to be deemed asbestos free.

**CHAIR:** Minister, we have run out of time on this part of your portfolio. I would like to now move on to the racing portfolio, which will go until 9 pm. I welcome back the member for Beaudesert.

**Ms GRACE:** Chair, I do have a couple of questions that were asked previously that I would like to answer and put on the record.

**CHAIR:** Yes, of course, Minister.

**Ms GRACE:** What is the pay level of officers appointed to the Back to Work policy—for example, an AO5 or SES1—asked by the member for Bundamba? Back to Work officers will be locals who know the local economy and local employers. They will work to help employers and jobseekers navigate the system and find employment solutions to suit them. The classification level may vary across regions to reflect the needs of each region. Back to Work employer officers will be employed by the Department of State Development and are expected to be around the AO7 level. Back to Work jobseeker officers are expected to be employed by TAFE Queensland. TAFE Queensland employees are not employed under the Public Service Act and have a different classification structure. However, it is expected that their classification and remuneration will be commensurate with the roles and responsibilities similar to other public servants doing the role.

**Mrs MILLER:** That tells me nothing.

**Ms GRACE:** I think that is the answer to your question.

**Mrs MILLER:** Could you get me some more detail on the TAFE side?

**Ms GRACE:** In response to the second question, the minister undertook to provide clarification regarding the wording of the Back to Work website. The issue with this is that this part of it does not fall under my portfolio. It falls under the Attorney-General's portfolio, under training. Individuals seeking to access training under the Certificate 3 Guarantee Boost will be assessed by a Back to Work jobseeker officer. A jobseeker officer will assess the individual's existing qualifications and potential training needs. Eligible individuals will be referred to a subsidised training opportunity linked to strong employment outcomes. Like the training provided, the level of subsidy provided by the government will be dependent on the individual circumstances of the jobseeker and the demand for the skills in the region. As a result, an average cost would not reflect the likely contribution by jobseekers. In certain circumstances some jobseekers will be eligible to fee-free training. If you would like further details on any aspect of the Certificate 3 Guarantee Boost, I suggest you refer these questions to Minister D'Ath, who has the portfolio responsibility.

**CHAIR:** Are we ready to proceed with the next portfolio?

**Mr KRAUSE:** Good evening, Minister, and other officers here for our Racing session. I will start with a question in relation to the Queensland Racing Integrity Commission. Minister, I refer to question on notice No. 444, which was asked on 16 March 2016 and also an estimates question on notice, non-government question on notice No. 9 relating to the costs of QRIC. Minister, looking at those two answers that you have given to us, one cannot fail to notice the massive budget blowout in the QRIC, integrity and other matters budget when comparing the integrity function for Racing Queensland and the budget for QRIC—in particular, employment expenses, doubling from \$5.7 million to \$10.8 million; administration expenses increasing 10 times from around \$500,000 to over \$5 million; and consultants' fees up from \$50,000 to over \$370,000. Minister, what is the reason for this massive increase in costs for the integrity function of racing in Queensland?

**Ms GRACE:** I thank the honourable member for the question. I think he is slightly exaggerating by calling this a budget blowout. What these two answers demonstrate is the integrity expenses just for Racing Queensland for its integrity regime as compared to the new QRIC, which is a full and comprehensive Racing Integrity Commission of services. Comparing the two is actually not correct because QRIC clearly is much larger than what was being provided for under Racing Queensland alone.

What we have here is the new QRIC, which includes a full-time Integrity Commissioner and a deputy commissioner. This is the change from what was under the LNP government where we had a part-time commissioner only without any resources, without any officers and without any staff—hardly able to undertake their role. Hence we had one of the largest scandals in this state and in other areas of the country with the live baiting greyhound scandal.

The new QRIC has a comprehensive investigatory unit. There is an injection of \$8.87 million by the government to make sure that QRIC has the powers and resources to undertake the toughest animal welfare and integrity system in Australia, and we make no apologies for that whatsoever. There

has been money that has been transferred from the department of national parks and sport. Further, there is the funding that will come from Racing Queensland which is based upon the original question on notice No. 444. What you will find is that we have a very comprehensive Queensland Racing Integrity Commission in this state that will have all the resources required to ensure that we uphold the most stringent animal welfare and integrity issues across the whole three codes of racing, and we make no apologies for it.

**Mr KRAUSE:** Minister, I take you up on that and some of the points you raised in relation to having the Integrity Commissioner, which is budgeted at about \$258,000 a year, which does not account for any of the increase in the budget really. What I wanted to ask you is the animal welfare and integrity services expenditure is separated in a different line item. Much of the answer you have spoken about now relates to integrity and animal welfare. I note that over the forward estimates that increases from \$2.6 million to \$2.9 million. Still, employee expenses have gone up \$5½ million, administration expenses have increased tenfold from \$500,000 to \$5 million, but animal integrity and animal welfare services are fairly flat in the grand scheme of things when you compare it to those other increased expenses. If the intent of QRIC is to maintain animal welfare and integrity, why aren't we seeing an increase in expenditure in that line item rather than in administration and in employee expenses? Isn't this just another big bureaucracy which is going to put lead in the saddle bags of racing?

**Ms GRACE:** I thank the member for the question and I think that they misunderstand what QRIC is all about. What we did in the two questions on notice was compare the two budget line items as they were presented to you. QRIC is all about animal welfare and integrity. This has a separate line item in relation to that, but every staff member, every steward, every investigatory position, every deputy commissioner, every science centre employee which has a funding base, if you can see there, from about \$4.7 million going up to \$5.2 million, is now rolled over into QRIC. Their modus operandi, what they are there for, is to ensure animal welfare and integrity in the racing industry across the three codes.

**Mr KRAUSE:** Why is that not included in that line item if that is what they are working off?

**Ms GRACE:** It is included throughout the whole area of expenditure. You are clearly not understanding the set-up of the Queensland Racing Integrity Commission. It is a commission to undertake its objectives under the act which are clearly defined in the Racing Integrity Act. All of those, from employment expenses right through, are all about animal integrity and welfare services. These particular ones there are identified as operating solely in that area because we matched them with Racing Queensland and where they were lining that up. Every single position—all the licensing expenditure, the admin, the racing, the legal, the consultants, the integrity commission, the employment commissioner, the stewards, the investigatory team—is there to look at racing integrity and animal welfare issues. They work for that reason.

**Mr KRAUSE:** Employee expenses go from \$5.7 million to \$10.8 million but still you need to employ consultants. Why is that? What are they consulting on? Don't you have the expertise in the employment space?

**CHAIR:** Ask one question at a time, please.

**Ms GRACE:** This is an operational issue. There are times consultants may be required depending on the different cases that may come forward. I believe it is a sound budgetary line item for any organisation to put in depending on what comes to it. I want to say that this is an historic moment at this estimates hearing. For the first time we have a full-time Queensland Racing Integrity Commissioner at this bench in Ross Barnett. I am sure that Commissioner Ross Barnett will ensure that his budget is spent wisely and is spent effectively and that he gets value for money.

**Mr KRAUSE:** In relation to the answer to question on notice No. 444, it was said in there that a number of items that were budgeted for centrally by Racing Queensland were not able to be set out in answer to that question on notice because they were taken care of centrally by Racing Queensland. Have all of these aspects of costs that were absorbed centrally by Racing Queensland now been included in the line items of expenditure for QRIC in the question on notice given to the estimates committee?

**Ms GRACE:** They were obviously provided at that particular time in relation to the question that was asked then. We clarified that there were some expenses which were difficult to divide because they were done on a whole basis. It is very difficult to say how much would have been allocated here and there. In order to allow QRIC to have the full resources to undertake its role, we have funded it to the level that we believe is required for them to undertake a comprehensive animal welfare and integrity role in terms of the new Racing Integrity Act, which was passed by the parliament without, I might add, the support of the LNP government, which now can set on the course of ensuring that we have the

highest standards of animal welfare and integrity in this state. They will have the budget that will enable them to undertake their tasks. I am sure that Commissioner Ross Barnett will ensure that his budget adequately reflects the expenses that are required to run QRIC as efficiently and as effectively as possible in terms of the legislation that he has to act upon.

**Mr KRAUSE:** Minister, I refer to page 10 of the SDS for National Parks, Sport and Racing in relation to the second payment of the exclusive wagering authority fee from Ubet. Where will that money go and what will it be spent on?

**Ms GRACE:** I thank the honourable member for the question. Can I just clarify whether you are talking about the second payment to the Racing Infrastructure Fund? I am just searching for the number in relation to that and I will answer the question.

**Mr KRAUSE:** I am referring to the second payment from Ubet under their exclusive wagering authority agreement.

**Ms GRACE:** The second payment that was paid—are you asking me the amount that was paid into the fund as of 1 July 2016?

**Mr KRAUSE:** I did not ask that, but that is my next question, so you can answer that now, if you like.

**Ms GRACE:** Sorry, Chair, could the member please repeat the question? I am unclear exactly what he is asking.

**Mr KRAUSE:** My question was: where will that money go and what will it be spent on?

**Ms GRACE:** There is a new 30-year wagering retail deal that was done by the former government. It came into effect on 27 June 2014. There are moneys that will be going into the racing infrastructure fund and clearly they will be spent on racing infrastructure. When there is a new board in place, they will be developing priorities for infrastructure and those moneys are required to be spent in the racing industry.

**Mr KRAUSE:** All of them?

**Ms GRACE:** They will probably develop a 12-month plan in relation to what is required based upon animal welfare and integrity needs and the needs out there in the industry. They will probably also develop a five-year plan for racing infrastructure needs in the industry together with a proper implemented governance and application process so that these things can be done in a proper manner, unlike some of the ways that infrastructure funds may have been spent in the past. Those funds will be determined by the board. They will go into the racing infrastructure fund and they will be spent on racing infrastructure as deemed appropriate in line with good governance and good application process put in place by Racing Queensland.

**Mr KRAUSE:** Minister, in that answer you mentioned taking into account integrity arrangements and integrity commitments. Does that mean that some of the funds from that exclusive wagering authority agreement may be directed into integrity matters?

**Ms GRACE:** Not the funds that go into the racing infrastructure fund. It will be based upon the safety of animals and ensuring that, for example, they have adequate infrastructure in place for finishing lines—all of those kinds of things—that they are up to date, that they are accurate and that they reflect contemporary racing needs.

**Mr KRAUSE:** Will the payment still be \$37.5 million?

**Ms GRACE:** From 1 July 2014—I will go through some of it. I thank the member for the question. An amount of \$37½ million was paid. Then on 1 July 2016 the amount was \$30 million paid under the wagering deal. Because of the virtual racing not going ahead, there was a reduction of that of \$7.5 million. That was a decision taken previously by cabinet before I became the racing minister, that we were unable to proceed with that due to a conflict with other arrangements that were in place in relation to exclusivity. That is my understanding. The amount that has been paid is \$30 million. There has been \$19,480,250 paid into the racing infrastructure fund. Can I just add that this 30-year deal does not provide enough funds—the deal that was done under the previous government. We are going to receive about \$92½ million in the racing industry infrastructure fund over a 30-year period. The Labor government put in place a \$110 million fund over five years. What I have been left with by the LNP government is \$92,531,000—and we are doing it exactly under the rules that were implemented by the LNP government—over a 30-year period. That is the legacy that I have been left with by the LNP.

**Mr KRAUSE:** Minister, the government is funding QRIC to the tune of \$36.4 million over the next four years. In relation to that funding, where is that funding coming from?

**Ms GRACE:** The government is funding QRIC out of consolidated revenue, which is obviously there to enable QRIC to undertake its functions. We made a commitment that QRIC would be adequately funded. That funding is coming from a combination of \$8.87 million in the first year of \$25.8 million budgeted under consolidated revenue and funding of \$14.75 million from Racing Queensland will be transferred to QRIC. What that represents is the answer to your question in 444—the costs that were calculated that it was costing Racing Queensland to undertake animal welfare and integrity in the state. It is funded from both sides. It will be funded out of consolidated revenue—the part to make up the budget over the forward estimates for QRIC plus an amount from Racing Queensland equal to what they would have paid had the animal welfare and integrity issues remained with Racing Queensland.

**Mr KRAUSE:** That is up to financial year 2019-20. What will happen after that? Will the industry have to pay for all of those costs themselves?

**Ms GRACE:** The budget can only deal with the forward estimates. I am sure that we would look to see what QRIC requires in the way of funding. I am sure that the next budget will allocate additional funding to make sure that QRIC survives.

**Mr KRAUSE:** Can you guarantee that QRIC will receive additional funding in the next budget so that the industry does not foot the bill for this?

**Ms GRACE:** What I can guarantee is what is in the budget before you at the moment, which is the forward estimates for four years. The figures are there. They are in the budget.

**Mr KRAUSE:** You cannot guarantee it?

**Ms GRACE:** They stipulate the payments that will be made and the basis on which they will be paid. The government will be honouring that for the Queensland Racing Integrity Commission.

**Mr KRAUSE:** I refer to page 75 of the budget measures in relation to the Country Racing Support Program, and I ask: do you acknowledge that this represents cabinet support for country racing?

**Ms GRACE:** I thank the honourable member for the question. Can I say you have miscalculated grossly the situation in relation to country racing. The government announced an additional \$21 million Country Racing Support package in December of 2015—and it is now in the budget—in response to the racing industry's financial recovery plan. The government determined that Racing Queensland's financial recovery should not be to the detriment of country racing. What we have done is over four years we have provided \$21 million, which means that the cuts or the reductions—

**Mr KRAUSE:** There are cuts?

**Ms GRACE:**—that were going to be under Tracking Towards Sustainability will not go ahead. Let me repeat that again—and let me say it slowly so that the shadow minister can understand exactly what I am saying. The \$21 million country support package is in place so that what was in the Tracking Towards Sustainability document will not proceed. This will cover prize money and sustain the racing industry in relation to the way that they operate and because we recognise the wonderful community, economic and social impact that country racing has throughout regional Queensland. This support package is there to sustain country racing throughout the state, so those amounts in Tracking Towards Sustainability will not proceed.

**Mr KRAUSE:** Minister, there is \$8 million within that \$21 million allocation which is not directed directly towards prize money or into the subsidies for country racing clubs. It is meant to be allocated for other purposes. What is that \$8 million—\$2 million per year—of sustainability funding actually going to be spent on? Is it going to make it to country racing clubs?

**Ms GRACE:** Under the act, as the minister I have no role in the allocation of race meetings or prize money. What I can say to you is that we have provided funding under the \$21 million Country Racing Support package which has been apportioned over the four-year estimates. Racing Queensland will liaise with the country racing committee. I am sure that Racing Queensland, the new CEO and the new board in discussions with country racing participants and the committee will determine how best those funds will be expended to ensure not only that prize money is sustained but that we can also meet the building of capacity for race clubs right around this state.

**Mr KRAUSE:** Mr Chair, am I able to ask the acting CEO about that issue? How will that \$8 million be allocated? Is it actually going to make it to country racing clubs, or will it be spent somewhere else in the state?

**Mr Adams:** I thank the honourable member for his question. Racing Queensland has put a proposal forward to the department for consideration with regards to the expenditure of additional funding which has been made available for those purposes. The types of things to be considered include enhancements for race day to assist clubs to attract visitation to the racetracks on their very important community race days. The matter is awaiting further consideration, so it is probably not appropriate to comment further at this point.

**Mr KRAUSE:** Minister, I take you back to the SDS and in particular the racing infrastructure fund, and I ask: how much money is in the fund right now?

**Ms GRACE:** I thank the honourable member for the question. I can say to you that the racing infrastructure balance as at today, 19 July 2016, is \$53,125,000. That is made up of obviously the different tranche payments that have been made into the racing infrastructure fund. That is the balance of the fund as at today.

**Mr KRAUSE:** Where does that fund sit? Is it in your department or elsewhere?

**Ms GRACE:** My understanding is that the fund sits, as set up by the LNP, in Treasury. Obviously, there will be a governance and an application process. Infrastructure needs will be determined in accordance with the board's priorities, their governing structures and their application processes. They will undergo those processes. Then the funds will be released upon approval from the Treasury, which is exactly the same situation as it was under the previous government. They will be released to those clubs or to wherever it is required to fulfil the infrastructure needs of racing throughout the state.

**Mr KRAUSE:** How much of it has been allocated to approved projects at this point?

**Ms GRACE:** I will leave that to the Racing Queensland board. You may not be aware, but following the greyhound scandal of live baiting, we have not had a full board or a CEO. We have had acting in the meantime.

**Mr KRAUSE:** I am aware of that.

**Ms GRACE:** I am well aware of it, too.

**Mr KRAUSE:** That is a long time.

**Ms GRACE:** The board has now been put in place. We now have a CEO who is about to start. We now have a separate QRIC. Can I say that is the saviour. Because of the high animal welfare and integrity of the greyhound industry in this state, had we not done that I think we would have been in a more difficult position in this state, no thanks to those opposite in the LNP, who did not support the establishment of QRIC. We acted very quickly in relation to that—much quicker than New South Wales. Therefore, we hope to have an industry in this state that will reform and survive accordingly. What we have now is a new board and a new CEO and I want to give them the opportunity to have a look at the racing infrastructure needs in a sensible way, under good corporate governance and under good application process to determine those priority needs. I have written to them asking that that be done as a matter of priority. They are well aware of this. I am sure that they will come up with a plan that will meet the needs of the industry in relation to infrastructure going forward.

**CHAIR:** That is the end of the time. I now move to the government members. I ask the member for Stretton for his first question.

**Mr PEGG:** I refer the minister to page 8 of the SDS, and I ask: can the minister update the committee on the implications of the New South Wales government's decision to ban greyhound racing and any possible implications for the Queensland greyhound industry?

**Ms GRACE:** I thank the honourable member for the question. I think it came as a bit of a shock and a surprise that the New South Wales government made a decision on 7 July to ban greyhound racing in New South Wales from 1 July 2017 following the McHugh special commission of inquiry into greyhound racing. Unlike New South Wales, the Queensland government believes the industry in Queensland is capable of reform. With greyhound welfare as its overriding priority, the government sees the industry having a sustainable future.

On 11 July 2016 I met with industry representatives, officers from the Queensland Racing Integrity Commission and Racing Queensland to reinforce the Queensland government's support for the industry. It was made clear to all industry participants in Queensland that they are on notice and that animal cruelty and animal welfare offences will not be tolerated. We concluded our inquiry into greyhound racing very early in June 2015, 12 months before the New South Wales report was completed. Along with Victoria, our recommended reforms are aimed at strengthening the integrity

controls and improving animal welfare. Queensland has already taken major steps in the process of reform with the establishment of the Queensland Racing Integrity Commission and providing new powers for its officers.

It is historic, as I said before, to have a full-time Racing Integrity Commissioner at the table with me here today. I thank Commissioner Ross Barnett for his work to strengthen integrity in the Queensland racing industry. The government accepted all 15 recommendations of the Alan MacSporran inquiry and have been in the process of implementing them through our newly formed Queensland Racing Integrity Commission. I believe that it is the actions of the Queensland government, the Premier, the previous Minister for Racing, the member for Rockhampton, and the entire cabinet in accepting the recommendations of the MacSporran report that allow us to continue greyhound racing in Queensland with increased integrity. I must also note that opposition members, including those sitting on the committee today, voted against the establishment of QRIC when they voted against the Racing Integrity Bill in the parliament this year.

It is not clear to date exactly what the implications of the New South Wales decision will be for Queensland or other states which have committed to the continuation of a significantly reformed greyhound industry; however, upon the establishment of QRIC we now have a very tough approach towards animal cruelty, with tough new standards for licensing and an immediate lifetime ban for anyone involved in live baiting practices. Any participant in Queensland who is found to be involved in these practices will be caught and dealt with.

The establishment of QRIC has also meant that there are new increased powers for authorised officers of the commission to investigate premises and ensure that licence animals are protected in Queensland. A police task force will support the work of QRIC, giving more scope for Commissioner Ross Barnett to clean up the industry and remove those who are bringing the industry down. I have been encouraged by how the Queensland racing industry has worked cooperatively with authorities to ensure that animal welfare and integrity issues are at the forefront of the reform agenda over the last few months. I expect that the industry will continue to operate in a cooperative manner and a commitment to reform as the impacts of the New South Wales decision are realised over the coming 12 months. What I am saying is that QRIC has really put us in a good position to be able to say that—unlike Sydney, New South Wales—because we acted very quickly we have high standards, and they will be applied to anyone wanting to enter the industry here in Queensland.

**CHAIR:** I refer the minister to page 3 of the SDS and I ask: can the minister update the committee on the recent appointments made to Racing Queensland by the state government?

**Ms GRACE:** I thank the honourable member for the question. In March, April and June 2016 appointments were made to establish a new expanded Racing Queensland board in line with recommendation 2 of the Queensland Greyhound Racing Industry Commission of Inquiry final report. I am very pleased to announce and welcome Mr Steve Wilson AM as an experienced chair and company director. He has agreed to head the board in the role of chair. Mr Wilson has extensive previous experience on number of boards, including the South Bank Corporation and Queensland Rugby Union.

We also have Ms Sharon Dawson, who was appointed as a non-industry member and deputy chair. Ms Dawson is the chief executive officer of the Dawson Group, a diversified heavy engineering and services company in North Queensland. She has a very strong knowledge of country and regional racing.

The third appointment is Ms Susannah George, founder and director of Urban List, one of Australia's fastest growing and most influential digital lifestyle platforms which attracts more than 1.6 million readers per month. Ms George was named Woman of the Year in the B&T Women in Media Awards in 2015 and won the digital category for her work with the Urban List.

We have Mr Max Walters OAM FCA as the fourth non-industry member. Mr Walters was a senior executive with the Seven Network for 26 years and is a lifetime follower of racing across all codes.

Mark Sowerby is a boards racing industry member for thoroughbred racing. Mr Sowerby is the founder and managing director of Blue Sky Alternative Investments, one of Australia's top 300 listed companies with capitalisation in excess of \$500 million and offices in Brisbane, Sydney, Melbourne, Adelaide and New York. He brings an amazing amount of experience as a racehorse owner and has been involved with more than 25 thoroughbreds.

Ms Margaret Reynolds is the industry member for harness racing. She was on the executive committee of the Breeders, Owners, Trainers and Reinspersons Association and has had 53 years experience in harness racing.



Mr Dale Cartwright is the racing industry member for greyhound racing. Mr Cartwright is the immediate past president of the Brisbane Greyhound Racing Club. He acted as a committee member between 2009 and 2013 and took over as president in 2013.

Collectively we believe that this board combines industry experience with an expanded range of skills to lead the industry towards a sustainable future. I look forward to working with the board. Since 1 April 2016 Mr Samuel Adams has been fulfilling the role of acting CEO of Racing Queensland, and as I mentioned in my opening speech Dr Eliot Forbes has been appointed as the new CEO and will commence in his role on 22 August 2016. Dr Forbes boasts international racing administration experience and currently heads up Tasracing, the commercial entity responsible for racing in Tasmania. He is a qualified veterinary surgeon who has previously worked in the United Arab Emirates, Qatar, Macao and the United Kingdom. He brings a wealth of experience to the new board. I am looking forward to working with the new board, the new CEO and QRIC to ensure that racing prospers in this state.

**Mrs MILLER:** I refer to page 8 of the SDS and I ask: in relation to the Bundamba track, particularly the inclusion of a greyhound track there, when is a decision likely to be made?

**Ms GRACE:** I thank the honourable member for the question. I have visited the Ipswich Turf Club. I went to the Ipswich cup recently and it was a fantastic meet. I think there were over 20,000 people there. This is one of the priority areas that I want the board to have a look at. I think that their plan has been on the drawing board for quite a number of years and has not been able to be approved by Racing Queensland for some time. I believe that their plan has a lot of merit and is something that the Racing Queensland board should look at and work with the club, particularly as the Ipswich Greyhound Racing Club is a long-term tenant of the Ipswich Show Society and races at the Ipswich Showgrounds. My understanding is that there is some talk that maybe the greyhound track at the showgrounds is nearing its use-by date.

In response to the member for Bundamba's question, I have written to the Queensland Racing Board. I have highlighted the need for them to look at the Ipswich Turf Club business plan and infrastructure needs as a priority, and I will leave it up to the board to undergo the governance and application process to determine how quickly they can ensure the infrastructure needs of the Ipswich Turf Club, maybe together with—and all stakeholders need to be consulted—the greyhound club located at the Ipswich Showgrounds. Maybe we can have a look at combining those and doing something for Ipswich and bringing it up to speed as well as looking at other possible commercial activities that the club can do to sustain itself in the future.

**Mrs MILLER:** I have a follow-up question in relation to that. I am very familiar with the Ipswich Turf Club, obviously.

**Ms GRACE:** I am sure you are.

**Mrs MILLER:** Yes. But they have been patiently waiting for many years. They have been waiting for so long. Do they have to wait another three months? Six months? Twelve months? Can you give me any idea whatsoever when they may get a decision? People are losing faith in the system. They have been told about governance continuously, but how much longer? They just want to know a rough time. By the end of the year? Another year?

**Ms GRACE:** It is a good question. What I can say to you is genuinely that I have written to the Racing Queensland board. I have asked them to put in a priority 12-month plan. They are to have a look at the Ipswich Turf Club and greyhound needs—

**Mrs MILLER:** So it could be another 12 months.

**Ms GRACE:** No, we are hoping that they can move quickly. Honestly, this will have to be up to the Racing Queensland board. I need to give them time to have a look at these infrastructure plans and to have a look at how they intend to do it. I know that Steve Wilson has been to the Ipswich Turf Club as well. He has discussed it with the officials there at the Ipswich Turf Club, and I am sure that he is well aware. I have had a look at the plans as well, and you are right: they have waited for a long time. I have written to them and asked that it be put on their priority consideration list. I cannot usurp the Racing Queensland board's role in this area. It would be up to them to determine how quickly, if at all—and I am sure they are looking favourably at it—they can move towards getting infrastructure. I want it to go quickly; they are aware of that. Whatever the infrastructure needs, we need to get some started and they are well aware of that. Hopefully they will get an answer very quickly.

**Mr PEGG:** I refer the minister to page 28 of the SDS and I ask: can the minister update the committee on the establishment and progress of the Queensland Racing Integrity Commission?

**Ms GRACE:** I thank the honourable member for the question. I think it is really important to put on record that the Queensland Racing Integrity Commission commenced operations on 1 July 2016. As all would be aware, QRIC was established as a result of the live baiting scandal and the subsequent MacSporran commission of inquiry into the Queensland greyhound racing industry. The live baiting scandal showed that the previous racing integrity regime had failed and the racing industry could not regulate itself. As a result the government acted quickly and introduced the Racing Integrity Bill 2015, which was passed by the Queensland parliament on 22 April 2016. The bill created the new Racing Integrity Act and also amended the Racing Act 2002.

Under the new Racing Integrity Act, QRIC has additional powers above and beyond those previously held by Racing Queensland or the Office of Racing to maintain animal welfare and integrity across all three codes of racing. QRIC has a wide remit to tackle animal cruelty and integrity issues such as race fixing, doping, money laundering and other illegal activities that might be involved in the racing industry. A properly resourced QRIC will enable Racing Queensland to focus on its core activities of race scheduling, prize money and marketing of the product. The formal separation of the regulatory and commercial functions of the industry occurred on 1 July 2016 with the full commencement of QRIC. As I have mentioned, Mr Ross Barnett is here today. He was one of the state's most senior police officers, and he was appointed as QRIC's first commissioner.

QRIC has been resourced through a combination of existing racing integrity resources from Racing Queensland and the Department of National Parks, Sport and Racing. In total, 107.2 full-time employees have transferred to QRIC from 1 July 2016, and this is comprised of 76.2 full-time employees from Racing Queensland and 31 full-time employees from the department which included the Sciencentre, which is actually a very good and functional science centre. I believe that QRIC has placed us in a good position to ensure the highest standards of animal welfare and integrity in the state. I look forward to working with Mr Ross Barnett to ensure that, if people are doing the wrong thing with racing, the message is loud and clear: they will be caught and they will be dealt with. I believe that QRIC will have a bright future in ensuring that the racing industry in this state prospers because we will have the highest standards of animal welfare and integrity. Restoring public confidence in racing across all three codes is a very important component of QRIC due to the work that they will be undertaking.

**CHAIR:** I have one question but there are only three minutes left for the answer. I refer the minister to page 3 of the SDS and I ask: can the minister update the committee on the state government's commitment to country racing and the \$21 million country racing support package?

**Ms GRACE:** I thank the honourable member for the question. I think it is important to continue to confirm our commitment. The government remains firmly committed to supporting country racing, which provides opportunities for regional Queensland to become involved in the racing industry. I am conscious that country racing provides jobs in regional communities and helps bring these communities together. I have been to many of the country races. I found them to be extremely sociable and you can tell that the whole town gets behind them. I have thoroughly enjoyed my time there.

The program commits \$21 million over four years to support country racing. The funding will be directed towards supplementing the amended prize money structure for non-TAB country racing that was contained in the Tracking Towards Sustainability program and also used to assist non-TAB country clubs with other initiatives aimed at improving their financial sustainability; also for other capacity building or governance or infrastructure needs that they may have.

The department is working with Racing Queensland to develop specific program criteria to ensure the money is used in a way that maximises benefit to the country racing industry. As you know, as minister I am precluded by the Racing Act from giving any direction to the control body about the allocation of race meetings or prize money for race meetings. This is a legislated responsibility of Racing Queensland. I know that Racing Queensland will continue to consult with the Country Racing Committee to discuss strategies to ensure that the Country Racing Support Program is utilised effectively.

This government's commitment to country racing through the Country Racing Support Program means that non-TAB country race prize money will remain at current levels for at least the next two years, with additional funding across the four years forward estimates. The government recognises that racing is an integral part of the Queensland economy and plays an important role in the social fabric of the state, particularly in rural and regional areas. I also welcome the appointment of racing ambassador Billy Slater, who will be playing a significant role in attending country race meetings in an attempt to engage with the public, to send out social media notices, to get them to come along, to obviously lift the

profile of racing in country areas. Hopefully we will have quite a few people wanting to attend the country race where he will be promoted as attending. I welcome the new Racing Queensland ambassador Billy Slater, who will do a great job in the promotion of racing in this state.

**CHAIR:** Thank you, Minister. We will now move on to your other portfolio, Minister, of Multicultural Affairs. I also welcome Ms Fiona Simpson MP, the shadow minister for Aboriginal and Torres Strait Islander partnerships and multicultural affairs and member for Maroochydore. Welcome.

**Ms SIMPSON:** Thank you, Mr Chair. Minister, I have a question with respect to the performance measures specifically in the 2014 SDS for the previous department of Aboriginal and Torres Strait Islander partnerships and multicultural affairs. There was a service standard for the number of jobs facilitated for Aboriginal and Torres Strait Islander people and people from culturally diverse backgrounds by the department. The standard for Aboriginal and Torres Strait Islander people has been carried over to the new DATSIP department, but there is no measure in your SDS to benchmark the number of jobs facilitated for culturally diverse Queenslanders, and I ask why is this?

**Ms GRACE:** I thank the honourable member for the question. In 2014-15 the Service Delivery Statements proposed a new and only measure for MAQ—the level of community appreciation for cultural diversity among attendance at funded events—with the baseline to be set in 2014-15. In the 2015-16 Service Delivery Statements post the machinery-of-government move of MAQ that measure was discontinued on the basis that people attending a multicultural event have a very high level of appreciation, so no additional measures have been proposed. What we are seeing is increasing attendances at a variety of multicultural events around the state. I have personally attended many of them and each of the organisers have said that when there is good weather—and sometimes when there is bad as in Cairns recently—the attendance numbers have increased substantially and you can see that the level of appreciation of the people attending is written on their faces when it comes to the food and everything.

**Ms SIMPSON:** I am sure it is fantastic.

**Ms GRACE:** It is great.

**Ms SIMPSON:** Minister, more specifically though it is a question about the measurement with respect to jobs for culturally and linguistically diverse Queenslanders. Why was that measure discontinued?

**Ms GRACE:** This is the 2014-15 SDS and I guess that should have been asked last year. We do not have that, but I am sure that maybe the director-general may have some more background in relation to this.

**Ms SIMPSON:** Do you still collect that by the department?

**Ms GRACE:** We have had some very good jobs targets. If you are asking about the setting of jobs targets specifically for 2015-16, there was a program of supporting 400 migrants and refugees into employment and I can inform you—if this is what your question relates to—that we have well and truly met that target. We have employed more than 1,200 people from non-English-speaking backgrounds in the public sector in 2015-16. In addition, we supported 166 people of migrant, refugee and CALD into jobs in non-government organisations and private sectors in 2015-16. Of these 166 people, 85 people were of culturally and linguistically diverse backgrounds employed as a result of their participation in the first year—just in the first year—of Skilling Queenslanders for Work, and I recently went to a graduation at the Multicultural Community Centre in Newmarket where more than 80 per cent of the Skilling Queenslanders for Work graduates have already obtained jobs, so those figures no doubt will increase. Some 53 migrants and refugees have been employed through Economic Participation Grants Projects. Some 18 people of CALD backgrounds have been employed as a result of the new Community Action for a Multicultural Society funding, the CAMS funding. Six graduates of the interpreting course funded by the Department of Communities, Child Safety and Disability Services gained paid work experience. There were two employment outcomes due to a restaurant being established following their successful food stall at a department funded event and there have been two refugee placements through MDA Work & Welcome initiatives. We have also supported the MDA Work & Welcome 500 initiative, celebrated MDA placing over 100 refugees—

**Ms SIMPSON:** Thank you, Minister, and I appreciate you—

**Ms GRACE:** Just a moment; I am nearly finished. Under this initiative, the department also funded two work placements within the department and provided funding to enable a further eight placements in the non-government sector in 2016-17. If you were asking about those jobs targets, we have done exceptionally well.

**Ms SIMPSON:** I thank you for answering that. Given that those KPIs are not specifically provided for anymore in the SDS as a measure, why is there a new and only measure in the SDS, and that is a new measure on page 10? Do you have any indication that you are going to put some more meaningful measures into the SDS?

**Ms GRACE:** I thank the honourable member for the question and I thank her and the LNP for their support for the new Multicultural Recognition Bill, which is now an act of parliament. As you know, that sets up the new multicultural advisory council and it will be putting in place a new policy and action plan. Within that policy and action plan we hope to develop what are the priorities that the multicultural advisory council believe going forward. I am sure that employment and access to the services of the government will be part of that action plan and part of the charter. We will be putting that together with the council. I hope to be announcing the council fairly soon during Multicultural Month which will be held in August and we will be developing that action and policy plan going forward and hopefully we will then be able to indicate exactly what are the priorities of the new multicultural advisory council, which I will chair.

**Ms SIMPSON:** Minister, I note your answers to government questions on notice Nos 6 and 7 regarding the Community Action for a Multicultural Society program. These are already funded three-year agreements. Could you advise what the key performance indicators were for these three-year service agreements?

**Ms GRACE:** I thank the honourable member for the question. In terms of an overview of the Community Action for a Multicultural Society, their key role is to strengthen social ties and support between groups across the communities, to build cohesive communities, to remove barriers for participation, to make a positive difference to people's lives and to respond directly to needs identified by the local communities. I have visited a number of these CAMS offices where they are located throughout the state. There is funding for them to meet those objectives and they are set against that criteria in relation to whether they are obviously doing the key duties that they are to perform within those communities. My understanding is they are required to report. They are required to advise exactly what their role has achieved, but as this is an operational matter about whether or not they are meeting their objectives and the reasons why they are operating in the various locations I think that maybe the director-general can respond on that operational issue.

**Mr Hogan:** I thank the member for the question. Indeed, as the minister has indicated, we contract the CAMS organisations to deliver community activities that deliver outcomes in relation to connectedness and the creation of and building of social cohesion in the promotion of cultural diversity. For the first time in 2015 we introduced a new outcomes focused framework for the contracting of the CAMS organisations. We work closely with each one of the 19 organisations to develop an annual work plan in relation to the outcomes certain to that organisation and they are reporting to us. They have done their first six monthly report in terms of their progress against the outcomes that they have agreed to commit to in their annual work plans.

**Ms SIMPSON:** Thank you, Director-General, for that response. Would you be able to provide more advice with respect to the specifics of those work plans, because that helps advise how social cohesion and connectedness is achieved?

**Ms GRACE:** I thank the honourable member for the question. I have visited many of these CAMS offices. I have seen firsthand the job and the work that they are performing, and they vary across regions and vary across needs. For example, some of them support activities of connectedness of individuals in the wider community. When I was in Mount Isa the officer there is connecting very fully with the multicultural community and that is almost to the point where women who often have not engaged in the community are being encouraged to involve themselves in community activity. When I was in Mackay they facilitated a series of community conversations. They have cultural and welcome hubs. They have a homework club. They have language and literacy initiatives. They vary so much in the services depending on the needs of those communities, so they are very outcome focused based on their priority areas for that community. They involve all members of the community as best they can. They build capacity, they build inclusiveness, they build welcoming. They sometimes organise events and get-togethers and morning teas. It has been wonderful visiting all of these CAMS offices. Many of these CAMS offices located around Queensland are working very diligently in order to achieve the objectives that the funding enables them to achieve. They are doing great work and it is always a pleasure to meet them. I was also recently in Bundaberg and the activities that they are doing in Bundaberg are really quite remarkable in ensuring that all members of the community come together and enjoy each other's company in a respectful, valued and highly effective manner. They are doing all sorts of activities which they report to the department—very outcomes focused—and the department then ensures that they continue on that good work.

**Ms SIMPSON:** I have a further question with respect to this program. Is there training available to some of those workers even though they are employed by NGOs given that there would be a need to have them well informed as to how to connect across a number of government services, particularly when you get into areas such as domestic violence?

**Ms GRACE:** I think that what they do is they are very well connected in the community. The CAMS officers that I have met have got a great community feel and they have a great understanding. If there is an issue that they cannot handle directly themselves such as an issue of domestic violence, they are also a very good referral service and assistance service for the different clients that come through their doors.

They may not be actually trained in handling, for example, a domestic violence issue, which can be very complicated, and there is specific training. I know in the areas that I have been to they will connect those clients to the various services that are available in the community. We are also mindful that there are extended services that are coming through the door, particularly when something is highlighted like domestic violence or the success of the program is bringing more people in. For the 2016-17 financial year, we have allocated an additional \$20,000 in funding. Funding has gone from \$1.7 million to \$2.1 million in the budget in recognition of the developmental stages of the early-on CAMS offices and how they have grown. They are finding that they are victims, in a way, of their success. The additional funding is to enable them to continue to provide the services that they deem are necessary in their respective communities and they are doing a wonderful job.

**CHAIR:** Thank you, minister. I would like to now move—

**Ms SIMPSON:** With respect, Mr Chair, there was a changeover time of about two and a half, nearly three minutes. I understood that there would be—

**CHAIR:** Yes, correct.

**Ms SIMPSON:** If I could continue to ask questions in respect to—

**CHAIR:** You have two minutes left.

**Ms SIMPSON:**—related services, because I hear what you are saying. CAMS is providing services to people across a range of outreach works. But specialised services that the government provides are obviously where you want them to be able to refer people to. My question is: what role does Multicultural Affairs Queensland have in supporting the government's response to *Not now, not ever*?

**Ms GRACE:** I think that that is probably a question that is outside of my portfolio per se, because the delivery of those domestic violence services fall under the portfolio of Minister Fentiman. Maybe if I can direct that to the Attorney-General. Can I give you just a very general outline of what I found in visiting many of the CAMS offices throughout Queensland? They have highlighted to us that they are getting a number of clients coming through the door in relation to domestic violence. Clearly, they are not equipped to directly handle those. Each of them has established a very comprehensive referral service, but some of them are saying that possibly—for example, on the Gold Coast, when we had the community cabinet—some of those CAMS or multicultural services may have the ability to provide the service if they are funded through the department to provide them. That is something, obviously, for Minister Fentiman.

We are well aware of the cultural barriers for women coming forward in relation to domestic violence. They are handled very sensitively by the CAMS offices. I will refer to the director-general about any funding going to those areas.

**CHAIR:** Minister, that concludes that part of the questioning.

**Ms SIMPSON:** Can we take that that on notice?

**Ms GRACE:** I think we can do it quickly.

**CHAIR:** All right.

**Ms SIMPSON:** Thank you.

**Mr Hogan:** Thank you, Minister. Thank you, member, for the question. Indeed, we pay particular attention to the experiences of people from culturally and linguistically diverse backgrounds in relation to their experience of domestic and family violence. I have the Office for Women and the domestic and family violence reform as well as Multicultural Affairs in the department. One of the recommendations

of *Not now, not ever* was that the Language Services Policy and guidelines be updated to facilitate access for women or men who are victims to culturally appropriate domestic and family violence services. That recommendation has been completed and those guidelines have been updated already.

We work very closely, bringing the MAQ networks and expertise together, along with colleagues from across government, with particular attention to engaging with representatives of the CALD communities as well as all the faith organisations in the development of the government's response to *Not now, not ever*. The Queensland domestic and family violence strategy was informed by a number of dedicated sessions to engage with those communities, or their faith organisations, or community organisations, to get their input into shaping that strategy.

**Ms SIMPSON:** Thank you. Thank you, Minister.

**CHAIR:** I would like to move to government members. I refer to page 9 of the SDS for the Department of Communities, Child Safety and Disability Services, noting the allocation of \$1 million for the Celebrating Multicultural Queensland grants program. Can the minister advise the committee of any recent changes to this program to improve the access of community organisations to events and projects funding?

**Ms GRACE:** I thank the honourable member for the question. The government has supported the Celebrating Multicultural Queensland grants program with recurrent annual funding of \$1 million committed from 2015-16. Of this funding, \$700,000 is allocated for events and \$300,000 is allocated for projects. In 2015-16, 121 organisations across Queensland were funded. Within the calendar year of 2016, 128 diverse cultural events and multicultural projects will be held. I am trying my best to get around to every one of them, but it is a challenge when we clash with events that are on at the same time. We believe that more than one million Queenslanders are expected to be involved throughout the year.

In order to make the grants process as clear and as simple as possible for stakeholders, the grants program has recently been divided into two separate rounds: one round for multicultural events, which is currently open until 26 August, and one for multicultural projects, which will open in November 2016. Application forms have also been simplified and multiyear funding has been extended to 33 established and well-regarded events that meet the criteria, such as the level of participation from the community. Multiyear funding in 2017 and 2018 will be \$172,500. Those events organisers are just so grateful that they have three-year funding and they do not have to apply every year. We also have 21 signature events, which also have received three-year funding. That equates to \$312,000. They are great events around the state. I have attended many of them. They are very well organised and they are a delight to be part of. I encourage all members on the committee to attend them.

I know that the member for Maroochydore, Fiona Simpson, has attended events that I have been to—Paniyiri is an example—and we have had a wonderful time. These events are really great in not only showcasing the different ethnic and culturally diverse community we have in Queensland but also that a great time is to be had in relation to food, music and cultural awareness.

**Mr PEGG:** Minister, as the representative of the most multicultural seat in the state, I wanted to ask you a question that is close to my heart. I refer to page 9 of the SDS of the Department of Communities, Child Safety and Disability Services and the \$770,000 in funding in 2016-17 for Multicultural Affairs Queensland to lead the implementation of the Multicultural Recognition Act 2016. Could you advise the committee when the Queensland Multicultural Advisory Council will be established?

**Ms GRACE:** I thank the member for the question and I know you have one of the most diverse multicultural communities in your electorate and you are a fantastic supporter. I have seen you at many of the events that we have attended along with the member for Sunnybank. A public call for nominations for members of the Multicultural Queensland Advisory Council was opened on 7 March and closed on 29 March. The call for nominations was advertised in local newspapers, through digital and social media and on radio 4EB. A wide net was cast to ensure that a diverse group of nominees, including people with expertise in business, academia and from rural and regional locations through Queensland were also able to apply.

We received over 120 nominations for 11 council positions, including over 120 people identified as being from a culturally and linguistically diverse background, five from an Aboriginal and Torres Strait Islander background, 55 women and 18 from rural or remote areas. There was an open and transparent selection process. An independent selection panel reviewed the candidates and recommended a short list for my consideration. The panel comprised the former Governor of Queensland, the Honourable Penelope Wensley AC and the Anti-Discrimination Commissioner, Mr Kevin Cocks AM, who did a wonderful job sifting through the many applications for the 11 positions.

The interim multicultural reference group was established in 2015 to provide advice and input into the development of the Multicultural Recognition Act. The reference group will continue until the advisory council is established, as outlined in the act. We also had a number of those on the reference group apply for the multicultural advisory group. It is anticipated—and we are getting there—that the announcement of the outcome of the selection process will be announced during Queensland Multicultural Month, which is a month of festivities in the month of August. We hope to make an announcement and welcome the new Queensland Multicultural Advisory Council during the month of August. So it is very close. It is imminent.

**Mr PEGG:** That is good to hear.

**Mrs MILLER:** I refer to page 9 of the SDS. I am particularly interested in the relationship between the CAMS officers and the police liaison officers. I say that, because in my local community they look to the police liaison officers as the community leaders rather than the CAMS officers. I am just wondering if you can enlighten me as to how closely the CAMS officers and the police liaison officers work?

**Ms GRACE:** I thank the honourable member for the question, but I guess it varies from location to location. I am sure that if CAMS officers need police officers for any kind of assistance to clients who come through their door, I am sure that they would not hesitate to link in with the police force and ensure that their clients get the level of support that they require. I think that that would vary depending on the locations. I think if it works very well in your area, that is wonderful, but I am sure that each CAMS officer is aware of their responsibilities. If they have serious issues that require police attendance, I have faith that the CAMS officers would be able to refer clients on. Maybe the director-general has further information in regard to that question.

**Mr Hogan:** I thank the member for the question. As the member would be well aware, the Queensland Police Service has a very strong and long record of positive engagement with diverse communities across Queensland and the police liaison officers have been at the forefront of that. Multicultural Affairs Queensland and the department have worked closely with the Queensland Police Service for many years. Indeed, as you probably would recall, the Police Commissioner hosts one of the most important events of Queensland Multicultural Week. We certainly on the ground encourage strong connections between the PLOs and the CAMS workers. If there are particular issues in your electorate, I am happy to follow those up.

**Mrs MILLER:** I have just a follow-up question.

**Ms GRACE:** Can I just add quickly, too, that the member for Maroochydore and I attended the parliamentary Iftar Dinner, which we both hosted. Commissioner Ian Stewart was in attendance there that night. The police do great work in the area of multicultural communities and it was great to see Ian Stewart there that night. I understand they hosted their own Iftar dinner earlier on that week.

**Mrs MILLER:** I would also like to ask about the relationship between the CAMS officers and the health department. I am well aware, having been a parliamentary secretary for health many years ago, that our multicultural communities, particularly women, do not often access breast screening and other women's health services that are available. I am just wondering whether the CAMS officers regularly meet with preventive health workers, particularly in the regions.

**Ms GRACE:** I thank the honourable member for the question. I guess when it comes to issues of health, they would—I am positive—refer the client on to wherever the services would be available.

**Mrs MILLER:** I think you are misunderstanding me, Minister. I am not talking about a referral service; what I am talking about here is an active preventative health service.

**Ms GRACE:** But I think that is better directed to the Minister for Health, with all due respect.

**Mrs MILLER:** No, it is not, because Multicultural Affairs—I am trying to be positive here—some of the best stuff that I have done is in relation to multicultural groups in my area where we have the health department come along and talk to their particular groups about preventative health issues. I am just trying to link them up—

**Ms GRACE:** When I have been around, I know that CAMS officers have roles. I know they do healthy lunch boxes. They have a lot of issues that they put out in relation to health services that would be available. I am sure that every one of them would develop something according to the needs in their community and about what they believe would be appropriate. These are very intelligent, very passionate and very hardworking officers around the regions. I do not think for one second that any of

them would neglect any area of preventative health that they thought was important to have information, referral services there, and to work with the Department of Health or whomever in their area to ensure that, if women have a particular need, that it would be referred on.

**CHAIR:** Thank you, Minister.

**Ms GRACE:** Before we close, can I take this opportunity to place on record my sincere thanks to the staff within the Office of Industrial Relations, the employment policy unit within Queensland Treasury, Multicultural Affairs Queensland within the Department of Communities, Child Safety and Disability Services and the Department of National Parks, Sport and Racing, in particular the Office of Racing, for their assistance in preparing for today. I know it has been a tremendous amount of work. This is my first estimates and I am surprised at the amount of work that goes into the preparation for these hearings.

Also I want to thank you and the committee members for your time, I know it is late in the day, and all of my ministerial staff for their constant support, in particular my chief of staff Sharon Durham who is sitting to my left. Thank you once again to the chair and all members of the committee both present and in the past. As a new minister it has been an honour to be part of the estimates process today. I thank you very much for your questions and the manner in which those questions were asked and the support that was offered. Thank you very much. It is exciting always to have your first estimates, but can I say I am glad that it is over.

**CHAIR:** The time allocated for consideration of the proposed expenditure for the areas of responsibility administered by the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs has now expired. On behalf of the committee I thank the minister and departmental officers for their cooperation. Please ensure that answers to questions taken on notice are provided to the committee secretariat by 3 pm on Friday, 22 July. That concludes the committee's examination of matters relating to the Minister for Employment and Industrial Relations, Minister for Racing and Minister for Multicultural Affairs.

I thank the Speaker, the Premier, the Treasurer and ministers who appeared before the committee today. I also thank my committee members, the deputy chair, and the non-government members and all sitting members who joined this estimates hearing today. I thank the parliamentary staff for their assistance and before I close I also thank Hansard. I declare the hearing closed.

**Committee adjourned at 9.32 pm**