

2021-22 Budget Estimates – Appropriation (Parliament) Bill 2021

Report No. 12, 57th Parliament
Economics and Governance Committee
August 2021

Economics and Governance Committee

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Acknowledgements

The committee thanks the Speaker of the Legislative Assembly for his assistance.

The committee also acknowledges the assistance provided by the Parliamentary Service officers who supported the work of the committee during the estimates process.

All web address references were current as at 18 August 2021.

Contents

Chair's foreword	ii
1 Introduction	1
1.1 Role of the committee	1
1.2 Inquiry process	1
1.3 Aim of this report	1
1.4 Participation of other Members	2
2 Recommendation	3
3 Legislative Assembly and Parliamentary Service	4
3.1 Appropriation	4
3.2 Service area highlights	5
3.3 Capital purchases	5
3.4 Key issues raised during consideration of the budget estimates	6
Statement of Reservation	8

Chair's foreword

This report presents a summary of the Economics and Governance Committee's consideration of the budget estimates for the Legislative Assembly and Parliamentary Service for the 2021-22 financial year, as set out in the Appropriation (Parliament) Bill 2021.

Central to these considerations was the committee's conduct of a question on notice process and public hearing, which provided an opportunity for the committee to examine the estimates of expenditure in greater detail, including further exploring information set out in the budget papers accompanying the Bill.

The committee has recommended that the proposed expenditure, as detailed in Appropriation (Parliament) Bill 2021, be agreed to by the Legislative Assembly without amendment.

On behalf of the committee, I wish to thank the Speaker, the Clerk, and other Parliamentary Service officers for their cooperation in providing information to the committee throughout this process.

I would also like to thank my fellow committee members for their contributions, and other non-committee members whose participation in the hearing provided additional scrutiny of the estimates.

Finally, I thank the committee's secretariat and other Parliamentary Service staff for their assistance.



Linus Power MP

Chair

August 2021

1 Introduction

1.1 Role of the committee

The Economics and Governance Committee (committee) is a portfolio committee of the Legislative Assembly which commenced on 26 November 2020 under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.¹

The committee's areas of responsibility are:

- Premier and Cabinet, and Trade
- Treasury and Investment
- Tourism Industry Development, Innovation and Sport.

The committee also has oversight functions in relation to the Auditor-General and the Integrity Commissioner.

1.2 Inquiry process

On 18 June 2021, the Appropriation (Parliament) Bill 2021 and the estimates for the committee's area of responsibility were referred to the committee for investigation and report.²

In making this referral, the Legislative Assembly agreed to a resolution setting out dates and specified timeframes for each portfolio committee to hold its estimates hearing, and requiring the committees to report back to the Assembly on the referred estimates by 20 August 2021.³

In keeping with the Assembly's direction, on 16 July 2021 the committee conducted a public hearing and took evidence about the proposed expenditure from the Speaker of the Legislative Assembly (Speaker) and other witnesses.

Prior to the hearing, the committee also provided the Speaker with questions on notice and received answers to each of those questions.

These answers to the committee's pre-hearing questions on notice are included in a volume of additional information tabled with this report. The transcript and broadcast of the committee's hearing are available on the committee's estimates webpage.⁴

1.3 Aim of this report

This report summarises the estimates referred to the committee and highlights some of the issues the committee examined.

The committee considered the estimates referred to it by scrutinising information contained in:

- the budget papers
- answers to pre-hearing questions on notice
- evidence taken at the hearing.

¹ *Parliament of Queensland Act 2001*, s 88; Standing Rules and Orders of the Legislative Assembly, Standing Order 194.

² Queensland Parliament, Record of Proceedings, 18 June 2021, p 2193. Standing Order 177(2) provides for the automatic referral of the Annual Appropriation Bills to portfolio committees once the Bills have been read a second time. Standing Order 177(3) provides that the Appropriation (Parliament) Bill stands referred to the portfolio committee responsible for investigating the appropriations for the Premier's portfolio (in this case, the Economics and Governance Committee), unless the House orders otherwise.

³ Queensland Parliament, Record of Proceedings, 18 June 2021, pp 2195-2201.

⁴ <https://www.parliament.qld.gov.au/work-of-committees/committees/EGC/inquiries/past-inquiries/Estimates2021>.

1.4 Participation of other Members

The committee gave leave for other (non-committee) Members to participate in the hearing.⁵ The following Members participated in the hearing during the examination of the proposed expenditure for the Legislative Assembly and Parliamentary Service:

- Michael Berkman MP, Member for Maiwar
- Jarrod Bleijie MP, Member for Kawana.

⁵ A list of Members granted leave to participate in the hearing is included in the volume of additional information tabled with this report.

2 Recommendation

Pursuant to Standing Order 187(1), the committee must state whether the proposed expenditures referred to it are agreed to.

The committee agrees to the proposed expenditure for the Legislative Assembly and Parliamentary Service and recommends its approval by the Assembly.

Recommendation 1

The committee recommends that the proposed expenditure for the Legislative Assembly and Parliamentary Service, as detailed in the Appropriation (Parliament) Bill 2021, be agreed to by the Legislative Assembly without amendment.

3 Legislative Assembly and Parliamentary Service

The Speaker of the Legislative Assembly is responsible for the Legislative Assembly of Queensland and the Parliamentary Service.

The Legislative Assembly consists of 93 Members who discharge a range of important constitutional, legislative and constituency responsibilities.

The Parliamentary Service, established by the *Parliamentary Service Act 1988*, provides administrative and support services to the Legislative Assembly. The objectives of the Parliamentary Service are to:

- support the Legislative Assembly (and its committees and Members) in fulfilling its functions within the institution of Parliament
- support Members of the Legislative Assembly to engage with and represent their electorates
- provide information, corporate and facility management services
- safeguard, promote and strengthen the institution of Parliament.⁶

The Legislative Assembly's activities are coordinated through two main service areas:

- Members' Salaries, Entitlements and Electorate Office Services
- Parliamentary Precinct Support Services.

The first of these 2 service areas administers the remuneration and entitlements of Members of the Legislative Assembly and provides resources and support services to assist in maintaining Members' electorate offices.

Parliamentary Precinct Support Services provides a range of support services within the parliamentary precinct to assist the Parliament, its committees and Members.⁷

3.1 Appropriation

The budgeted expenditure for the Legislative Assembly and Parliamentary Service for 2021-22 is \$106.3 million, a decrease of \$219,000 from the estimated actual budget for the area in 2020-21.⁸ The budget papers advise that this difference is primarily related to an increase in the previous, 2020-21 budget for 'a Queensland Independent Remuneration Tribunal determination to allow the carry forward of un-acquitted Electorate and Communication Allowance from 2019–20 into 2020–21, and additional funding received for election related costs in 2020–21'.⁹ Subsequent decreases in funding allocations for these items are partly offset by additional funding received in 2021–22 associated with enterprise bargaining costs.¹⁰

It is proposed that the Legislative Assembly and Parliamentary Service will receive a cash appropriation of \$103.3 million in 2021-22, with the remainder of the budgeted expenditure to be funded by user charges and fees and other revenue.¹¹

⁶ Queensland Budget 2021-22, Service Delivery Statements, Legislative Assembly of Queensland, p 1.

⁷ Queensland Budget 2021-22, Service Delivery Statements, Legislative Assembly of Queensland, p 3.

⁸ Queensland Budget 2021-22, Service Delivery Statements, Legislative Assembly of Queensland, p 4.

⁹ Queensland Budget 2021-22, Service Delivery Statements, Legislative Assembly of Queensland, p 4.

¹⁰ Queensland Budget 2021-22, Service Delivery Statements, Legislative Assembly of Queensland, p 4.

¹¹ Queensland Budget 2021-22, Service Delivery Statements, Legislative Assembly of Queensland, p 5.

The following table shows the cash appropriation for 2021-22 compared with the budgeted and actual cash appropriations for the Legislative Assembly and Parliamentary Service in 2020-21.

Appropriations	Budget 2020-21 \$'000	Actual 2020-21 \$'000	Vote 2021-22 \$'000
<i>Controlled Items</i>			
departmental services	100,732	102,902	103,591
equity adjustment	1,091	716	(266)
<i>Administered Items</i>			
Vote	101,823	103,618	103,325

Source: Appropriation (Parliament) Bill 2021, Schedule 1.

3.2 Service area highlights

A primary focus for the Legislative Assembly and Parliamentary Service in 2021-22 will be the completion of 'extensive project planning and preparation works', which are to be carried out ahead of a major refurbishment of the Parliamentary Annexe in 2022-23.¹² A total of \$41 million has been earmarked in the budget papers for the 2022-23 works, which are 'to deliver necessary repairs and upgrades to the external façade of the Parliamentary Annexe, and enable the internal refurbishment of Members' offices and overnight accommodation rooms (levels 9-23)'.¹³

3.3 Capital purchases

The planned capital outlay for the Legislative Assembly in 2021-22 is \$7.9 million. This marks a 42% decrease on the \$13.6 million allocated for capital expenditure in 2020-21,¹⁴ leading in to the significant capital program planned for 2022-23.

While \$600,000 of the planned 2021-22 capital outlay is assigned for the electorate office accommodation improvement program, most of the Legislative Assembly's capital expenditure for 2021-22 will be incurred for projects within the parliamentary precinct.¹⁵ Major capital projects within the precinct include the following:

- upgrade of critical building infrastructure and services supporting the Parliamentary Annexe (critical infrastructure and services upgrade program), which 'includes fire and sprinkler services, air conditioning upgrades and renewing mechanical and electrical systems'¹⁶ (\$4.9 million)
- replacement of information technology network infrastructure (\$700,000)
- building management and security system upgrade (\$386,000).¹⁷

¹² Queensland Budget 2021-22, Service Delivery Statements, Legislative Assembly of Queensland, p 2.

¹³ Queensland Budget 2021-22, Service Delivery Statements, Legislative Assembly of Queensland, p 2.

¹⁴ Queensland Budget 2021-22, Service Delivery Statements, Legislative Assembly of Queensland, p 2. (Based on the budgeted capital expenditure for 2020-21 – the increase on the estimated actual capital expenditure is just under 41%.)

¹⁵ State Budget 2021-22, Capital Statement, p 68.

¹⁶ Hon Curtis Pitt MP, Speaker of the Legislative Assembly, public hearing transcript, Brisbane, 16 July 2021, p 3.

¹⁷ State Budget 2021-22, Capital Statement, p 68. A further \$1.3 million has also been budgeted for capital expenditure on 'other property, plant and equipment'.

3.4 Key issues raised during consideration of the budget estimates

Matters that were raised and considered by the committee in relation to the estimates for the Legislative Assembly and Parliamentary Service for 2021-22 included:

- the planned upgrade of the Parliamentary Annexe,¹⁸ including project planning and preparation,¹⁹ funding of the upgrade,²⁰ and upgrades to the office space provided for Parliamentary Service staff and television media outlets²¹
- the 2020-21 maintenance program for the parliamentary precinct²²
- the electorate office accommodation improvement program²³
- the critical infrastructure and services upgrade program²⁴
- new light emitting diode (LED) exterior lights for Parliament House²⁵
- improvements to the outdoor areas within the parliamentary precinct²⁶
- public access to the Parliament’s catering facilities and venues, including functions at the parliamentary precinct and revenue generated by the functions and catering service²⁷
- initiatives to promote Queensland produce via the Parliament’s hospitality services²⁸
- the new Parliamentary Library management system²⁹
- initiatives to safeguard and promote the Parliament’s heritage collections³⁰
- displays and events marking significant events in Queensland’s history³¹
- initiatives delivered by the Parliamentary Education team and engagement with students and the public throughout the COVID-19 pandemic, including plans for continuing COVID-safe engagement³²
- security assessment of the parliamentary precinct and electorate offices³³
- items confiscated by security from attendees to the parliamentary precinct in 2020-21³⁴

¹⁸ Public hearing transcript, Brisbane, 16 July 2021, pp 3-4.

¹⁹ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 1.

²⁰ Public hearing transcript, Brisbane, 16 July 2021, p 4-5.

²¹ Public hearing transcript, Brisbane, 16 July 2021, pp 3-4.

²² Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 11.

²³ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 2.

²⁴ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 3.

²⁵ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 5.

²⁶ Public hearing transcript, Brisbane, 16 July 2021, p 9.

²⁷ Public hearing transcript, Brisbane, 16 July 2021, pp 8-9; Speaker of the Legislative Assembly, responses to pre-hearing questions on notice nos. 8 and 18.

²⁸ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 10.

²⁹ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 6.

³⁰ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 4.

³¹ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 7.

³² Speaker of the Legislative Assembly, responses to pre-hearing questions on notice nos. 9 and 13.

³³ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 14.

³⁴ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 17.

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- the rollout of a new telephone system in 2020 and the planned upgrade of the communication and telephony system³⁵
 - complaints received by the Speaker regarding answers to questions on notice and allegations of Members misleading the House in 2020-21, and decisions made by the Speaker about referring Members to the Ethics Committee³⁶
 - the parliamentary committee system’s operational support systems and resources³⁷
 - tabling of the minutes of committee meetings³⁸
 - the cost and value of estimates hearings and potential improvements to the estimates process³⁹
 - the capacity of the Queensland Parliamentary Service to operate a Parliamentary Budget Office⁴⁰
 - planning for regional Parliaments.⁴¹

³⁵ Public hearing transcript, Brisbane, 16 July 2021, pp 5-6; Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 12.

³⁶ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 19; public hearing transcript, Brisbane, 16 July 2021, pp 6-7.

³⁷ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 15.

³⁸ Public hearing transcript, Brisbane, 16 July 2021, p 6.

³⁹ Public hearing transcript, Brisbane, 16 July 2021, pp 7-8.

⁴⁰ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 16.

⁴¹ Speaker of the Legislative Assembly, response to pre-hearing question on notice no. 20.

Statement of Reservation

NON-GOVERNMENT STATEMENT OF RESERVATION

Economics and Governance Committee – Budget 2021/22 Statement of Reservation

The LNP agree with passing the 2021/22 Budget.

However, honest Queenslanders expected more from the Labor Government's budget.

With the health system in crisis, they deserved solutions to fix ambulance ramping and the ever-growing surgery waiting lists.

With small and family businesses going to the wall under the pressure of COVID lockdowns, they expected the Labor Government to step up and provide COVID support payments.

With young criminals running rampant through Queensland, they expected action to keep their family and possessions safe.

With double income families struggling to buy or rent a home, they expected action be taken to release more land.

What they received was a budget which announced funds without funding and \$4 billion cuts to vital infrastructure spending.

In this estimates process, Queenslanders expected the Labor Government to be honest and accountable. It is our view that instead, Labor Committee Chairs used the Standing Orders to protect Labor Ministers.

Legislative Assembly and Parliamentary Process

The LNP is happy to see money allocated in this budget for upgrades to provide a safe and modern working environment for hard working Parliamentary staff. It is disappointing it took pressure during last year's estimates about the poor and unsafe working conditions to do it. Parliamentary staff expect more from the Labor Government to provide them a safe and modern working environment.

Despite providing a product which was not fit for purpose, the LNP is disappointed money could not be recouped from Microsoft for the below par rollout of the Microsoft Teams telephony system.

Premier and Cabinet

With the health system in crisis the LNP are concerned the Auditor General found Queensland Health does not have a plan for a sustainable health system. Of more concern is the fact the Health Minister has not set any expectations of the Hospital and Health Service Boards.

In a time of crisis Queenslanders expect the Minister to show leadership, they would expect the Premier to have the confidence in her Ministers to delegate decision making to them.

Queenslanders deserve more than a system which produces ambulance ramping at a rate of 40 percent.

The Integrity Commissioner revealed there were 46 discrepancies between the records of government departments and those on the lobbyist register. The LNP are concerned about the lack of honesty and accountability in the dealings of the Labor Government and lobbyists.

Following revelations at last year's estimates that lobbyists were actively working in the Premier's office during the 2021 Election, Queenslanders deserve to know if the Labor Government is working for them or working for lobbyists.

Treasury, Finance, and Investment

The LNP, along with the Queensland business community, have been calling out for a tailored Lockdown Business support package since early 2021.

Despite this Treasury had not been asked to perform any modelling on an assistance package or set aside money in the budget for such a package.

Small and family businesses deserve more.

This lack of planning meant when the Labor Government finally announced a support package it was haphazard and poorly thought out – with support only being provided to one in nine businesses across the state. Another consequence was the extreme delay of getting funds into bank accounts.

With better planning during the budget preparation, the quantum of the package and the payment mechanism would have been ready immediately.

Rather than providing assistance to business, it became evident the Treasurer will instead pursue small and family businesses for extra revenue through the employment of an extra 38 FTE's in the compliance division of the Office of State Revenue.

Queensland small and family businesses deserve more.

This budget failed to correct the Labor Government's poor record of transparency and service delivery. Of concern was the lack of transparency in relation to the valuation of the Titles Office.

No detail of the \$750 million in savings was provided. This lack of honesty and accountability means these so-called savings do not exist except as part of Labor Government media releases.

The LNP calls on the Treasurer to release the valuation documents for the Titles Office and full details of all the savings identified. Additionally, the Treasurer should also set aside further funding to provide support to all small and family businesses across Queensland.

Tourism

At the height of the COVID pandemic, with tourism operators crying out for support, they expected more than the third-term Labor Government cutting the Tourism and Events Queensland Budget by \$37 million dollars. Nearly a quarter of the budget in one hit.

Not content with that effort, the Labor Government also cut staff in Tourism Industry Development by 19 percent.

These cuts come off the back of the Premier's claims during the election that slashing support when it's most needed hurts confidence, damages tourism and that Labor's plan is fundamentally different.

The LNP rejects the assertions from the Government that cutting nearly a quarter of the budget will have no impact of the services delivered to the tourism industry. The LNP will continue to engage with the industry and hold the Labor Government to account on these assertions.

Another estimates session provides further evidence the third-term Labor Government are losing control of eco-tourism projects.

Former Minister Kate Jones committed to completing the business case for Paluma to Wallaman by late 2020, yet the hearing uncovered the Government still consulting with no date provided for the completion of the business case.

It was also revealed other eco-tourism projects have been significantly scaled back in their scope, had significant project delays and underspends, while other parts were cut completely.

The Labor Government is not only losing control of ecotourism projects.

Outback Queensland has again been forgotten by the Labor Government with only \$1,000 of a \$1 million budget being spent from the Outback Tourism Infrastructure Fund in the 2020-21 financial year.

The Labor Government has also failed to roll out its Holiday Dollars program with over 75 percent of vouchers issued going unused. Queensland's struggling tourism sector deserves more than a program designed to make headlines, not holidays.

These estimates hearings further highlighted the third-term Labor Government has a lack of vision and long-term planning strategy for the tourism industry post COVID. The Advancing Tourism Plan 2016-2020, the Advancing Tourism in North Queensland Plan 2016-2020, the Queensland Tourism Transport Strategy 2016-2020 and the Ecotourism Plan 2016-2020 are all out of date with the Government providing no guidance as to when refreshed plans will be developed.

At the same time the Tourism Industry Reference Panel report was slated for release mid-2021 but is yet to be released. The LNP will hold the Government to account on this report as industry fears it will not deliver on initial expectations.

The third-term Labor Government is losing control of the planning and delivery of projects to help Queensland's tourism industry out of the COVID. This is not surprising as their only idea to help tourism is to cut funding by \$37 million and people by 19 percent.

This is why the LNP is calling for the development of a 20-year plan for Queensland's tourism sector. A strategy to plan for the sector post COVID, into the lead up, and then beyond the 2032 Olympics.

Queensland's tourism operators, the majority of which are small and family businesses, expect more and the LNP will continue to hold the Government to account to ensure they receive it.

Sports

Despite the Labor Government's infatuation with elite sporting teams and events, the LNP recognise that community sporting organisations are the heart and soul of sport in Queensland. Becoming an elite athlete does not happen overnight. The journey must start somewhere, and that place is on community fields, pools and tracks across our state.

The LNP are concerned that community sporting organisations have been underfunded over the course of Labor's three terms in Government. Disappointingly, the 2021/22 budget confirms this view. Page 3 of the Service Delivery Statement shows that the Department's capital expenditure has been cut by some \$73 million when compared to last financial year.

The announcement made on the evening of the Estimates hearing for the Active Gameday Projects Fund was a last-minute attempt by the Government to show an interest in community sport.

Noting that grants of up to \$150,000 will be available under the \$9 million Active Gameday fund, it is conceivable that the fund will be exhausted with applications from only 90 sporting clubs. In real terms, of the 10,000 sporting clubs in Queensland, less than a percent (0.9%) may receive funding through the Active Gameday Projects fund.

Despite touting the fund as 'new' during the hearing, the announcement from Minister Hinchliffe was shown to be a hollow political stunt, rather than a genuine and meaningful investment for community sporting organisations. The money dedicated to the initiative already was announced in the budget, as advised by the Director-General.

Ironically, on the evening of the Estimates hearing, a game of AFL between the Brisbane Lions and Richmond Tigers was delayed due to both teams being stuck in traffic congestion. With Brisbane set to host the Olympic and Paralympic Games in 2032, critical infrastructure like roads and public transport need to meet the demands of our growing state. Without it, Queensland could face the international embarrassment of an Olympic event being delayed due to a traffic jam. The lack of investment over the last nine years by the third-term Labor Government needs to be immediately rectified if the 2032 Olympic games are to be staged successfully in Brisbane.

Conclusion

The LNP believes this budget provides little reassurance to honest Queenslanders that ambulance waiting times and hospital waiting lists will drop.

It provides little reassurance crime rates will fall, or planning is being done to bring on a supply of housing stock for people to own or rent.

It provides little reassurance on the delivery of infrastructure needed to get people home to their families faster.

Queenslanders deserve more from this third term Labor Government.



Ray Stevens MP

Deputy Chair of Economics and
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