



2014-15 Budget Estimates

Report No. 46
Finance and Administration Committee
July 2014

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FINANCE AND ADMINISTRATION COMMITTEE

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Deputy Chair	Mr Curtis Pitt MP, Member for Mulgrave
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Acknowledgements

The Committee wishes to acknowledge the assistance provided by officers from the Department of the Premier and Cabinet and Queensland Treasury and Trade during the course of the Committee's inquiry.

Chair's Foreword

This report presents a summary of the Committee's examination of the Budget Estimates for the 2014-15 financial year.

Consideration of the Budget Estimates allows for the public examination of both the responsible Minister and Chief Executive Officers of agencies within the Committee's portfolio area. This was undertaken through the questions on notice and public hearing process.

The Committee has made one recommendation as follows:

- that the proposed expenditure, as detailed in the *Appropriation Bill 2014* for the Committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

On behalf of the Committee, I also wish to thank the Premier and Treasurer and Minister for Trade and their departmental officers for their cooperation in providing information to the Committee throughout this process.

I would also like to thank the other Members of the Committee for their hard work and valuable contribution.



Steve Davis MP
Chair

July 2014

1. Introduction

1.1 Role of the Committee

The Finance and Administration Committee (the Committee) is a portfolio committee of the Queensland Parliament required under section 88 of the *Parliament of Queensland Act 2001* and established under the Standing Rules and Orders.

The Committee's areas of responsibility are:

- Premier and Cabinet; and
- Treasury and Trade.¹

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

On 6 June 2014, the *Appropriation Bill 2014* and the Estimates for the Committee's area of responsibility were referred to the Committee for investigation and report.²

The Committee conducted public hearings on Tuesday 15 July 2014 and Thursday 17 July 2014. The Committee took evidence about the proposed expenditure from the Premier and other witnesses on 15 July 2014. The Committee took evidence about the proposed expenditure from the Treasurer and Minister for Trade and other witnesses on 17 July 2014. A copy of the transcripts in relation to the Committee's hearings can be accessed on the Committee's web page at:

Hearing held on 15 July 2014:

<http://www.parliament.qld.gov.au/documents/committees/FAC/2014/Estimates2014/trns-15Jul2014.pdf>

Hearing held on 17 July 2014:

<http://www.parliament.qld.gov.au/documents/committees/FAC/2014/Estimates2014/trns-17Jul2014.pdf>

1.2 Aim of this report

The Committee considered the Estimates referred to it by using information contained in:

- budget papers;
- answers to pre-hearing questions on notice;
- evidence taken at the hearing; and
- additional information given in relation to answers.

This report summarises the Estimates referred to the Committee and highlights some of the issues the Committee examined.

Prior to the public hearing, the Committee provided the Premier and the Treasurer and Minister for Trade with questions on notice in relation to the Estimates. Responses to all the questions were received.

Answers to the Committee's pre-hearing questions on notice; documents tabled during the hearing; answers and additional information provided by Ministers after the hearing; and minutes of the Committee's meetings are included in a volume of additional information tabled with this report.

¹ Standing Rules and Orders, Schedule 6. The schedule provides that departments, statutory authorities, government owned corporations or other administrative units related to the relevant Minister's responsibilities regarding these areas are included.

² Standing Order 177 provides for the automatic referral of the Annual Appropriation Bills to portfolio committees once the Bills have been read a second time.

1.3 Other Members participation

The Committee gave leave for other Members to participate in the hearings. The following Members participated in the hearings:

Hearing held on 15 July 2014:

- Hon Anastacia Palaszczuk MP, Leader of the Opposition and Member for Inala

Hearing held on 17 July 2014:

- Hon Anastacia Palaszczuk MP, Leader of the Opposition and Member for Inala
- Dr Alex Douglas MP, Leader of a Minor Party and Member for Gaven

2. Recommendation

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

Recommendation 1

The Committee recommends that the proposed expenditure, as detailed in the *Appropriation Bill 2014* for the Committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3. Premier and Cabinet

The agencies and services which are the responsibility of the Premier of Queensland are the Department of the Premier and Cabinet, Office of the Governor, Public Service Commission and Queensland Audit Office. The 2014-15 portfolio budgets incorporate the newly established Statutory Body, the Queensland Family and Child Commission (QFCC). The Commission will be led by a Principal Commissioner and a Commissioner (one of which must be an Aboriginal person or a Torres Strait Islander).³

3.1 Department of the Premier and Cabinet

The Premier is the key stakeholder and the Minister responsible for the Department of the Premier and Cabinet (DPC).⁴

DPC has two main roles: to support and advise the Premier and Cabinet; and to provide leadership to other Ministers and their portfolio agencies in delivering services through the following portfolio service areas:

- Public Sector Renewal
- Policy Advice, Coordination and Cabinet Support
- Government Executive Support
- Queensland Family and Child Commission
- Legislative Drafting and e-Publishing

³ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014:39*

⁴ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 5*

- Strategic Research, Evaluation and Reporting
- Sector Partnerships, Capacity and Governance
- Executive, administrative, logistical and personal support to the Governor and management of the Government House Estate
- Provision of services for a high performing public service
- Independent public sector auditing services and reporting.⁵

The Premier is also the responsible Minister for the Queensland Family and Child Commission, the Queensland Audit Office, the Office of the Governor and the Public Service Commission.

The DPC's service areas are:

- Public Sector Renewal Service
- Policy Advice, Coordination and Cabinet Support Service
- Government Executive Support Service
- Legislative Drafting and e-Publishing Service.⁶

The following table taken from the *Appropriation Bill 2014* compares the appropriations for the department for 2013-14 (budget) and 2014-15.

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	84,798	122,763
equity adjustment	0	0
<i>Administered Items</i>	45,423	56,591
Vote	130,221	179,354

Source: Queensland Government, *Appropriation Bill 2014*, Schedule 2: 10

The DPC including Ministerial Offices and the Office of the Leader of the Opposition has a planned capital outlay of \$1.2 million in 2014-15 for the replacement, enhancement and development of office equipment and information systems.⁷

A budget of \$600,000 has been set aside in 2014-15 for an integrated legislative drafting and publishing system, QuILLS, with the aim of improving public access to legislation via a new website.⁸

⁵ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2014: 2

⁶ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2014: 13

⁷ Queensland Government, *State Budget 2014-15 Capital Statement - Budget Paper No. 3*, 2014: 85

⁸ Queensland Government, *State Budget 2014-15 Capital Statement - Budget Paper No. 3*, 2014: 85

The following table outlines the agencies that fall within DPC's area of responsibility and provides a summary of portfolio budgets for 2013-14 (adjusted budget) in comparison to 2014-15.⁹

Agency	2013-14 \$'000	2014-15 \$'000
Department of the Premier and Cabinet		
- controlled	95,065	125,451
- administered	44,196	56,591
Office of the Governor	5,925	6,263
Public Service Commission	21,903	18,081
Queensland Audit Office	40,947	38,372
Queensland Family and Child Commission ¹⁰	0	10,534

Source: Queensland Government, State Budget 2014-15 *Service Delivery Statements – Department of the Premier and Cabinet, Office of the Governor, Public Service Commission and the Queensland Audit Office* (Summary of portfolio budgets)

3.1.1 Budget highlights – Department of the Premier and Cabinet

The 2014-15 budget highlights for the Public Sector Renewal include:

- coordinating and providing strategic oversight of the Public Sector Renewal Program across all line agencies and whole-of-Government transformational change initiatives;
- supporting departments to deliver accepted relevant recommendations from the Commission of Audit;
- engaging proactively with the private and not for profit sectors, as well as academia and other experts, to identify new opportunities for partnerships with government;
- collaborating with agencies to identify renewal opportunities, including opportunities to reshape or redesign business processes to deliver enhanced efficiencies in service delivery and corporate functions;
- commissioning the fourth and fifth waves of customer satisfaction market research and publish results online.¹¹

An extra 39 full-time equivalent (FTE) positions were reported in the department. The department explained that this increase was attributed to the creation of a number of time limited focussed taskforces as follows:¹²

Queensland Health Implementation Unit (Queensland Health Renewal Taskforce)	12
Public Sector Renewal Division	9
Transport Renewal Taskforce	6
Corporate Support allocation	12

Source: Correspondence from the Premier, Response to Question on Notice No. 5, to FAC dated 14 July 2014

⁹ The table indicates the agency budget. It may not represent the actual appropriation.

¹⁰ The Queensland Family and Child Commission only commenced operation on 1 July 2014.

¹¹ Queensland Government, State Budget 2014-15 *Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2014: 5-6

¹² Correspondence from the Premier, Response to Question on Notice No. 5, to FAC dated 14 July 2014

The Policy Advice, Coordination and Cabinet Support's 2014-15 budget highlights included:

- assisting with implementing the Commission of Audit recommendations accepted by government, including driving contestability across agencies;
- implementing recommendations from the Queensland Child Protection Commission of Inquiry (the Carmody Report), through a DPC taskforce;
- coordinating and developing a whole-of-Government response to *The Queensland Plan: a 30-year vision for Queensland*;
- coordinating the development and implementation of strategic environmental policy initiatives through the DPC Environment Taskforce;
- evaluating the effectiveness of the *Vicious Lawless Association Disestablishment Act 2013* (criminal bikie laws) implemented during 2013-14;
- providing advice on the management of the growth of mining and the Coal Seam Gas industry in Queensland, including financial assurance models, and the legislative reform relating to reducing red tape and streamlining regulatory processes;
- supporting delivery of the Government's electricity sector reform program to place downward pressure on electricity prices;
- providing support for Cabinet and Cabinet committees, and coordinate and support Community Cabinet events across rural and regional Queensland.¹³

The 2014-15 budget highlights for Government Executive Support included:

- delivering three weeks of cultural celebrations prior to the G20 Summit to be held in November 2014, bringing economic and tourism benefits to Queensland by hosting these events;
- delivering the final version of *The Queensland Plan: a 30-year vision for Queensland* and support ongoing community engagement to ensure Queenslanders remain connected and a real partner in delivering the Plan's vision;
- coordinating official functions and visits by senior foreign dignitaries and Foreign Heads of Mission including the annual functions in honour of specific occasions such as Chinese New Year and Queensland's relationships with India, China and South Korea; and coordinate the Premier's Official Overseas Visits;
- finalising the coordination of state government services for a safe, secure and successful G20 Leaders' Summit in Brisbane on 15 and 16 November 2014 and Finance Ministers' and Central Bank Governors' Meeting in Cairns on 20 and 21 September 2014, with up to 4000 G20 delegates and 3000 media representatives expected to attend the Leaders' Summit.¹⁴

¹³ Queensland Government, *State Budget 2014-15 Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 6

¹⁴ Queensland Government, *State Budget 2014-15 Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 6-7

3.1.2 Issues raised at the public hearing – Department of the Premier and Cabinet

Issues raised by the Committee in relation to DPC included:

- transformation of the public sector;
- government assistance to pensioners and seniors card holders;
- service delivery and front-line services arrangements across a range of government agencies;
- reform agenda including legislative changes in the justice system; youth boot camp initiative and youth justice; and 'Safe Night Out' Strategy and drink-safe precincts; empowering schools and communities
- code of conduct and protection of the confidentiality of private and personal information in the public sector;
- options for reform of federal/state relations;
- royalties for the regions and other infrastructure funding;
- preparations for G20 Leaders Summit;
- public sector skills and training;
- the 'Strong Choices' advertising campaign;
- establishment of Policy Development Fund;
- employment in government owned corporations sector;
- advertising of the Queensland Plan;
- departmental litigation costs;
- managing the business of government;
- red tape reduction programs;
- engaging with private and not-for-profit sectors;
- annual taxation revenue per capita;
- the Drought Relief Assistance Scheme subsidies for drought affected communities;
- investments in science and innovation, and the tourism industry;
- unemployment forecasts and participation rates;
- departmental efficiency and effectiveness measures;
- community cabinets;
- contestability in the public sector; and
- open and accountable government.

3.2 Office of the Governor

The Premier also has ministerial responsibility for the budget of the Office of the Governor, an independent entity which has a separate appropriation. The Office of the Governor provides executive, administrative, logistical and personal support to enable the Governor exercise constitutional powers and responsibilities of office effectively, as well as undertake constitutional and ceremonial duties and community activities.¹⁵ The strategic objectives of the Office of the Governor encompass six goals which are detailed in the Office of the Governor's *2013-17 Strategic Plan*.¹⁶

The following table compares the appropriations for the Office of the Governor for 2013-14 (budget) and 2014-15.

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	5,925	6,263
equity adjustment	(53)	(53)
<i>Administered Items</i>	0	0
Vote	5,872	6,210

Source: Queensland Government, *Appropriation Bill 2014*, Schedule 2: 11

The Office of the Governor has budgeted \$0.04 million in 2014-15 for capital replacement of plant and equipment.¹⁷

In 2014-15, the Office of the Governor will continue to support official and public responsibilities of the Governor, the Governor's attendance at meetings of the Executive Council as well as the program of engagements at Government House in Brisbane and surrounding areas. In addition, the Office of the Governor will continue to plan and support regional travel undertaken by the Governor and schedule programs of visits and events for the Governor to attend and/or host.¹⁸

On 29 July 2014, the current Governor, Her Excellency Ms Penelope Wensley AC, will retire from the office and the Premier has announced that His Excellency the Honourable Paul De Jersey AC will be appointed as Queensland's next Governor.¹⁹ The Office of the Governor will support arrangements for the transition of Governors.²⁰

3.3 Public Service Commission

The Public Service Commission (PSC) is established under the *Public Service Act 2008*. The Premier has ministerial responsibility for the budget of the PSC.

¹⁵ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 47*

¹⁶ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 47*

¹⁷ Queensland Government, *State Budget 2014-15 Capital Statement - Budget Paper No. 3, 2014: 82*

¹⁸ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 48*

¹⁹ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 47*

²⁰ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 48*

The PSC's role is to provide advice on organisational and culture renewal, workforce planning and human resource management, performance leadership, capability development, legislation and policy and industrial relations.²¹

The following table compares the appropriations for the PSC for 2013-14 (budget) and 2014-15.

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	26,667	17,474
equity adjustment	0	0
<i>Administered Items</i>	0	0
Vote	26,667	17,474

Source: Queensland Government, *Appropriation Bill 2014*, Schedule 2: 12

3.3.1 Budget highlights – Public Service Commission

The PSC's strategic objectives outlined in the 2014-15 budget are to:

- build a high performing, engaged, customer focused workforce;
- create the most productive public sector;
- be the centre of excellence for workforce strategy across the Queensland public sector.²²

To achieve these objectives the PSC's actions include:

- providing contemporary, strategic advice and expertise to Ministers, Chief Executives and their departments in their capacity as advisor and strategic business partner;
- developing leadership and management capability through targeted, high quality development programs, talent management strategies, initiatives, and supporting employee engagement and mobility;
- streamlining legislation, industrial instruments, directives and policies;
- supporting and partnering with agencies to deliver Commission of Audit recommendations and service delivery renewal, and create a modern and flexible employment framework;
- integrating workforce data and analytics as a strategic resource to drive productivity and high performance;
- driving service delivery excellence, by positioning the work performance and conduct principles and operationalising the Conduct and Performance Excellence Service;
- identifying, replicating and promoting best practice examples in workforce management within and outside the public sector.²³

²¹ Queensland Government, *State Budget 2014-15 Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 63

²² Queensland Government, *State Budget 2014-15 Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 63

²³ Queensland Government, *State Budget 2014-15 Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 63

3.4 Integrity Commissioner

The Integrity Commissioner is administratively included within the Public Service Commission and is responsible for providing advice on integrity and ethics issues and for maintaining the Register of Lobbyists.²⁴

The Integrity Commissioner is an independent officer of the Queensland Parliament who reports annually to Parliament and meets with the Finance and Administration Committee at least twice a year.²⁵

The Integrity Commissioner's objectives for 2014-15 include:

- providing timely advice to designated persons on ethics or integrity issues, including conflict of interest issues;
- providing advice to the Premier, at his request, on issues concerning ethics or integrity involving any person who is a designated person other than a non-Government Member of Parliament;
- meeting with and providing advice to Members of the Legislative Assembly on interests issues;
- maintaining the Queensland Register of Lobbyists and continuing the responsibility for the registration of lobbyists;
- promoting adherence to the Lobbyists Code of Conduct;
- maintaining a publicly available lobbyists' contact register to enhance the transparency around contact between lobbyists and government representatives
- providing lectures and papers to increase awareness of issues pertaining to public discussion issues relevant to the Integrity Commissioner's functions.²⁶

3.5 Queensland Audit Office

The Premier has ministerial responsibility for the budget of the Queensland Audit Office (QAO), an independent statutory office with a separate appropriation.

The Auditor-General is an independent officer of the Parliament who is appointed for a non-renewable seven year term. The Auditor-General position is not subject to direction about the exercise of audit powers or the priority to be given to audit matters.²⁷

The Auditor-General undertakes audits of public sector entities on behalf of the Parliament and reports the results of the audits to the Parliament. The Auditor-General also has a statutory responsibility each year to audit the consolidated fund and financial statements prepared by all public sector entities, and to report on the results of these audits to the Parliament.²⁸

²⁴ Queensland Government, State Budget 2014-15 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 63

²⁵ Queensland Government, State Budget 2014-15 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 63

²⁶ Queensland Government, State Budget 2014-15 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 64

²⁷ Queensland Government, State Budget 2014-15 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 81

²⁸ Queensland Government, State Budget 2014-15 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 81

QAO activities include:

- reporting to the Parliament on the results of financial and performance audits;
- providing advice and assistance to members of Parliament and Parliamentary committees;
- reporting to public sector entities on their financial statements;
- providing advice and assistance to public sector entities on ways to strengthen their internal controls and better manage their financial and operating risks.²⁹

The following table compares the appropriations for the Queensland Audit Office for 2013-14 (budget) and 2014-15.

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	6,558	6,486
equity adjustment	0	0
<i>Administered Items</i>	0	0
Vote	6,558	6,486

Source: Queensland Government, *Appropriation Bill 2014*, Schedule 2: 13.

The QAO has budgeted capital purchases of \$0.7 million in 2014-15 to maintain and replace current office and IT equipment, and replace core IT systems for Finance, time recording and practice management.³⁰

3.5.1 Budget highlights – Queensland Audit Office

The QAO's 2014-15 budget highlights include:

- further strengthening the engagement with members of Parliament, Parliamentary committees and the public sector;
- enhancing use of data in financial and performance audits through the application of advanced data analytics;
- increasing focus on training, development and performance management of their workforce;
- strengthening employment practices to engage the required skills;
- improving relationship with audit-service-providers and better managing their performance;
- renewing ageing information technology and improving the integration of information systems.³¹

²⁹ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2014: 82

³⁰ Queensland Government, *State Budget 2014-15 Capital Statement - Budget Paper No. 3*, 2014: 89

³¹ Queensland Government, *State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office*, 2014: 82

Of particular note is the improvements in the QAO's audit efficiency which has enable them to reduce their overall audit fees. The QAO charges fees to the public sector for financial audits. The hourly charge-out rates used recovers the full cost to QAO for those audits. The QAO's last rate increase was in 2011.³² QAO will not be increasing its hourly charge-out rates in 2014-15 despite increases in people and accommodation costs.³³

3.5.2 Issues raised at the public hearing – Queensland Audit Office

Issues raised by the Committee in relation to the Queensland Audit Office included:

- initiatives for fraud prevention through internal control reviews and performance audits;
- QAO's involvement in the consultaion on development of a governance or an oversight or an acquittal process around the policy development fund;
- results of audit report No. 12 relating to 1 William Street and the sale of seven CBD office buildings.

3.6 Queensland Family and Child Commission

The 2014-15 portfolio budgets incorporate the Queensland Family and Child Commission (QFCC) which was established on 1 July 2014 following the Queensland Child Protection Commission of Inquiry (QCPCOI) final report and recommendations. One of the aims of the QFCC is to assist in identifying best practices in child protection and increase the capacity and capability of the child protection sector to deliver more effective and targeted services to children and families.³⁴

The QFCC's mandate is to:

- monitor, review and report on the performance of the child protection system in line with the *National Framework for Protecting Australia's Children 2009–2020*;
- provide cross-sectoral leadership and advice for the protection and care of children and young people to drive achievement of the child protection system;
- provide an authoritative view and advice on current research and child protection practice to support the delivery of services and the performance of Queensland's child protection system;
- build the capacity of the non-government sector and the child protection workforce.³⁵

The Government has allocated \$406 million over the next five years to keep families together with more prevention and early intervention services as well as improved support for Indigenous families.³⁶

³² Queensland Government, State Budget 2014-15 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 82

³³ Queensland Government, State Budget 2014-15 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 91

³⁴ Queensland Government, State Budget 2014-15 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 38

³⁵ Queensland Government, State Budget 2014-15 *Service Delivery Statements*, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 38

³⁶ Correspondence from the Premier, Response to Question on Notice No. 3, to FAC dated 14 July 2014

3.6.1 Budget highlights – Queensland Family and Child Commission

The QFCC budget highlights will be to:

- evaluate and report to the Premier on Queensland’s performance in relation to achieving State and national goals relating to child protection;
- develop and review workforce planning and development strategies for the child protection sector in collaboration with relevant agencies, the private sector and education providers;
- develop and coordinate a multidisciplinary research program in consultation with relevant stakeholders;
- establish one or more Advisory Councils to allow consumers, carers, families and support persons to advise the QFCC on effective support services to children and young people;
- develop and implement strategies to educate and provide information to the community on:
 - services available across the State to assist families to access those services
 - the way in which the child protection system operates
 - research relevant to the child protection system
- analyse and evaluate, at a systemic level, policies and practices relevant to the child protection system and the performance by relevant agencies in delivering services;
- prepare and provide the Premier with a report on child deaths in Queensland including recommendations the QFCC has made to improve laws, policies or practices to help reduce the likelihood of child deaths.³⁷

3.6.2 Issues raised at the public hearing – Queensland Family and Child Commission

Issues raised by the Committee in relation to the QFCC included:

- the progress made to date on the establishment of the Commission including public education campaigns and staff recruitment processes;
- government response to QCPCOI.

4. Treasury and Trade

The Treasurer and Minister for Trade has the ministerial and portfolio responsibilities for the Assistant Minister for Finance, Administration and Regulatory Reform; Queensland Treasury and Trade; Trade and Investment Queensland, and the Motor Accident Insurance Commission (Nominal Defendant).

4.1 Queensland Treasury and Trade

The Queensland Treasury and Trade (QTT) has the following service areas:

- Fiscal
- Economic
- Commercial services/Projects Queensland
- Revenue management.³⁸

³⁷ Queensland Government, State Budget 2014-15 Service Delivery Statements, Department of the Premier and Cabinet, Office of the Governor, Public Service Commission, Queensland Audit Office, 2014: 39

³⁸ Queensland Government, State Budget 2014-15 Service Delivery Statements, Queensland Treasury and Trade, 2014: 8-9

The former Trade and Investment service area was transferred out of the department effective 1 February 2014 to be established as a Statutory Body.³⁹

The roles of the service areas are as follows:

- The Fiscal service area provides policies, strategies and advice at a whole-of-Government level to promote value-for-money service delivery, manage the State's finances in accordance with the Charter of Fiscal Responsibility, and advance the performance of the Queensland economy to support growth and employment.
- The Economic service area undertakes a range of key activities, including providing advice and oversight of macroeconomic, microeconomic and competition policies and providing the function of the Queensland Government Statistician and being the primary source of statistical, economic and demographic research services across Government. The area also assesses Government-owned corporations' (GOCs) capital investments and monitors their financial and non-financial performance.
- The Commercial services (Projects Queensland) key functions include leading the procurement of major public infrastructure and services, both privately financed and traditional models; scoping and management of divestments and outsourcing arrangements; and detailed business case evaluation of major public infrastructure and service delivery requirements, packaging and delivery options, investment and finance options. The service area also provides commercial advisory relating to Government infrastructure, procure and renewal initiatives and is responsible for the management of State infrastructure evaluation and procurement policy framework and coordination of project gateway reviews.
- The Revenue management service area administers a revenue base of around \$13 billion by delivering and administering simple, efficient and equitable revenue management services for State taxes and royalty revenue. Additional responsibilities include undertaking revenue compliance, grant schemes and debt recovery and enforcement activities for the State.⁴⁰

QTT is responsible for assisting and advising the Treasurer and Minister for Trade and the Assistant Minister for Finance, Administration and Regulatory Reform in their roles as the Ministers responsible for red tape reduction.

The QTT is also responsible for facilitating, co-ordinating, and driving regulatory reform and red tape reduction across the Queensland Government.⁴¹

The following table taken from the *Appropriation Bill 2014* compares the appropriations for the department for 2013-14 (budget) and 2014-15.

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	213,938	193,009
equity adjustment	2,932	157
<i>Administered Items</i>	6,381,839	6,507,357
Vote	6,598,709	6,700,523

Source: Queensland Government, *Appropriation Bill 2014*, Schedule 2: 14

³⁹ Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade*, 2014: 8

⁴⁰ Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade*, 2014: 8-9

⁴¹ Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade*, 2014: 9

Budgeted capital purchases for QTT for 2014-15 is \$6.6 million, of which \$5.5 million will be for the development and implementation of new system capability to support improved fine collection and debt recover by the State Penalties Enforcement Registry (SPER). The remaining \$1.1 million is allocated for ongoing asset replacement.⁴²

The following table outlines the agencies that fall within QTT and provides the summary of agency budgets for 2013-14 (adjusted budget) in comparison to 2014-15.⁴³

Agency	2013-14 \$'000	2014-15 \$'000
Queensland Treasury and Trade		
- controlled	211,369	203,033
- administered	6,437,383	6,507,357
Motor Accident Insurance Commission/ Nominal Defendant	11,939 65,608	11,827 60,607
Trade and Investment Queensland	13,095	29,385

Source: Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade* (Summary of portfolio budgets)

Expenditure under 'state contribution' to the above mentioned service areas in 2013-14 are as follows:

Service Area	2013-14 Est. Actual \$'000	2014-15 Target \$'000
Fiscal	36,826	36,727
Economic	20,905	21,867
Commercial services (Projects Queensland)	9,979	6,118
Revenue Management	109,994	125,856

Source: Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade, 2014:12-13*

The Committee was advised the breakdown in 2014-15 expenditure and the funding associated with the 'Strong Choices' campaign is as follows:

	2014-15 Budget \$'000
Fiscal Group Operational Costs	16,963
Strong Choices Draft and Final Plan Advertising	3,800
Strong Choices Treasury Costs	4,200
Whole of Treasury Project Reserve	4,750
Allocation of Corporate Support	7,014
Total State Contribution - Fiscal	36,727

Source: Correspondence from the Treasurer, Response to Question on Notice No. 2, to FAC dated 16 July 2014

⁴² Queensland Government, State Budget 2014-15 *Capital Statement - Budget Paper No. 3, 2014: 115*

⁴³ The table indicates the agency budget. It may not represent the actual appropriation.

4.1.1 Budget highlights – Queensland Treasury and Trade

The QTT 2014-15 budget highlights include:

- contributing towards the implementation of accepted Commission of Audit recommendations, such as those relating to fiscal management and the roles and powers of the Queensland Competition Authority;
- implementing the Charter of Budget Accountability;
- supporting the Government's response to community feedback about the choices Queensland faces in reducing the State's debt;
- delivering and managing the Social Services Reform Program, which includes the implementation of the Commission of Audit recommendations to improve the efficiency and effectiveness of grant administration;
- collaborating with the Department of State Development, Infrastructure and Planning and the Queensland Resources Council to deliver a Resource Communities Data Portal, which will streamline access to data and reduce costs to project proponents in undertaking environmental impact statements;
- participating in the implementation of the whole-of-Government One-Stop Shop;
- participating in the Property Exchange Australia Ltd (formerly National e-Conveyancing Development Limited) to deliver a national electronic conveyancing solution to the Australian property industry;
- moving to the implementation phase of reforms to the State Penalties Enforcement Registry, including process redesign and involvement of the private sector in service delivery;
- commencing implementation of improvements to the operations of the Insurance Commissioner, including consideration of CTP issues and broader service delivery options.⁴⁴

Categories in revenue management are:

- Mining and Petroleum Royalties (represents payments to the owners of resources for the rights to extract them).
- Transfer Duty is a State tax on the transfer of property.
- Vehicle Registration Duty is a State Tax on the registration or transfer of a motor vehicle.
- Other Duties include Insurance, Landholder and Corporate Trustee duty.
- Payroll Tax is a State tax paid if a company pays more than \$1.1 million per year in taxable wages.
- Land Tax is a State tax on freehold land, assessed on the taxable value of an owner's total land holdings.
- Gaming Machine Tax is paid on the profits of gaming machines by clubs and hotels.
- Other Gambling Taxes and levies.⁴⁵

⁴⁴ Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade*, 2014: 2-3

⁴⁵ Correspondence from the Treasurer, Response to Question on Notice No. 1, to FAC dated 16 July 2014

The department advised that there has been a delay in the implementation of the SPER Reform Program and the trial of using mercantile agents to act on behalf of the state to collect unpaid fines. The Treasurer advised that after an assessment of the initial trial, a market contestability review will be undertaken. This caused a shift in the timing of expenditure.⁴⁶

The department outlined some major external factors that may impact on their objectives. These include:

- volatility in international and national financial and economic conditions;
- the outcome of the Commonwealth Grants Commission's 2015 Methodology Review, due in February 2015, which may significantly impact on Queensland's share of GST revenue;
- potential impacts from Australian Government Budget decisions and National Commission of Audit recommendations;
- the Australian Government's White Paper processes on reform of the Federation and taxation reform and their impact on future federal financial relations;
- revenue volatility caused by variations in receipts based on coal, oil and gas and mineral royalties;
- pressure on business and private finances, which may impact on debt recovery;
- anticipated strengthening in housing transactions and major business transactions;
- natural disasters.⁴⁷

An example of where Commonwealth Government funding will impact on Queensland is the reduction in total funding of \$103 million in 2012-13 year, including a retrospective adjustment of \$40 million for the 2011-12 years and an impact of over \$400 million over the forward estimates period.⁴⁸

4.1.2 Issues raised at the public hearing – Queensland Treasury and Trade

Issues raised by the Committee in relation to Queensland Treasury and Trade included:

- cost of asset sales scoping studies;
- role of Queensland Treasury Corporation (QTC);
- challenges faced by Queensland due to growth;
- state debt levels;
- state debt reduction and fiscal choices in controlling expenses;
- appointment of probity advisors;
- government assistance to pensioners and seniors card holders;
- sale of assets, such as the Port of Gladstone, and effect on local communities;
- fundamental fiscal principles;
- 'Strong Choices' campaign, options, advertising material and related costs;

⁴⁶ Correspondence from the Treasurer, Response to Question on Notice No. 9, to FAC dated 16 July 2014

⁴⁷ Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade*, 2014: 3

⁴⁸ Correspondence from the Treasurer, Response to Question on Notice No. 7, to FAC dated 16 July 2014

- State's credit rating;
- revenue trends and revisions;
- employment in government owned corporations sector;
- economic modelling;
- government owned corporations dividends;
- infrastructure projects including the Toowoomba second range crossing and Royal Children's Hospital site project;
- departmental achievements and objectives;
- royalties from commodities;
- rights of stakeholders in the event of sale or lease of assets;
- royalties for the regions and other infrastructure funding;
- funding for front-line services;
- impact of changes to the *Duties Act 2001* on farming community;
- progress on the implementation of red tape reduction reform initiatives;
- consultancy costs;
- infrastructure asset and retention values;
- accrual accounting system including source and application of funds;
- the State Penalties Enforcement Registry (SPER) reform process including the outsourcing of debt recovery;
- government owned corporations investment, board structures and credit ratings;
- remedies for monopolistic and rent seeking behaviour;
- allocation and accounting for the Policy Development Fund; and
- Information Technology projects costs.

4.2 Trade and Investment Queensland

Trade and Investment Queensland (TIQ) was established as a statutory body as the principal export promotion and investment attraction agency on 1 February 2014.

TIQ has the following key objectives:

- to facilitate, promote, identify, attract and develop trade and investment opportunities
- to conduct research into, and analysis of, trade and investment opportunities
- to partner with governments, industry organisations and international networks to promote Queensland business and international trade and investment opportunities through representation in 16 locations worldwide and eight regional locations.⁴⁹

⁴⁹ Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade*, 2014: 42

TIQ's aims for 2014-15 are to:

- maximise potential investment and trade opportunities from the G20 Finance Ministers and Central Bank Governors Meeting (September 2014) and G20 Leaders Summit in Brisbane in November 2014;
- participate in major international and domestic trade show events;
- increase export activity, by matching competitive Queensland companies to international business opportunities;
- attract business migrants to Queensland.⁵⁰

4.2.1 Issues raised at the public hearing – Trade and Investment Queensland

Issues raised by the Committee in relation to Trade and Investment Queensland (TIQ) included:

- progress on TIQ's transition to a statutory body including board appointments;
- establishment of new offices in the Asian region as well as in North America;
- potential benefits and outcomes from trade missions;
- TIQ's role in identifying new opportunities and economic benefits from initiatives such as the G20 events.

4.3 Motor Accident Insurance Commission/Nominal Defendant

The Motor Accident Insurance Commission (MAIC) and the Nominal Defendant statutory bodies are focused on ensuring financial protection that makes Queensland stronger, fairer and safer. MAIC's role is to regulate and improve Queensland's compulsory third party (CTP) insurance scheme and manage the Motor Accident Insurance and Nominal Defendant funds. The Nominal Defendant's role is to provide compensation to those who are injured as a result of negligent driving of unidentified and/or motor vehicles with no CTP insurance. It also acts as the insurer of last resort by meeting the claim costs of any licensed insurer who may become insolvent.⁵¹

The MAIC strategic objectives in 2014-15 are to:

- provide a viable and equitable personal injury motor accident insurance scheme;
- continually improve the operational performance of the Nominal Defendant;
- provide a corporate governance model that facilitates MAIC's vision and meets the State's financial and performance requirements.

MAIC and the Nominal Defendant's primary focus for 2014-15 includes:

- assisting Queensland Treasury and Trade in reviewing aspects of the CTP scheme;
- implementing renewal recommendations in line with the Queensland Treasury and Trade Renewal Program;
- realising the benefits of the Nominal Defendant claims management system;
- delivering cost reductions through process improvements;
- implementing a new MAIC research governance model;
- realising cost savings through the Nominal Defendant legal panel review.⁵²

⁵⁰ State Budget 2014-15, Service Delivery Statements, Queensland Treasury and Trade, p. 42.

⁵¹ Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade*, 2014: 30

⁵² Queensland Government, State Budget 2014-15 *Service Delivery Statements, Queensland Treasury and Trade*, 2014: 31

Statements of Reservation

FINANCE AND ADMINISTRATION COMMITTEE
STATEMENT OF RESERVATIONS

This statement is submitted by the Member for Mulgrave and Deputy Chair of the Finance and Administration Committee, Curtis Pitt MP, on behalf of the Labor Opposition.

Department of the Premier and Cabinet

The Labor Opposition reiterates its rejection of the process that was trialled by the Newman Government for the 2014 Estimates Committee hearings. The plan to hold seven committee hearings concurrently was flawed from the outset, a point made by the Labor Opposition when voting against the motion to change the process in the House on 2 April 2014. It should be noted that the Premier has since announced his decision to adopt the Labor Party's position and reinstate the process and format used at previous Estimates hearings.

It should also be noted that since 1994 when the first comprehensive Budget Estimates hearings were held, each portfolio committee has sat on a separate day. The LNP Government's trial in 2014 resulted in a move away from this approach. It is the Labor Party's view that the changes reduced the ability of non-government MPs, the media and the public to scrutinise the government's spending and actions.

Throughout the Estimates hearings of the Finance and Administration Committee conducted on Tuesday, 15 July 2014, the Premier and his Director-General failed to answer fundamental questions about important issues within their portfolio. Of particular concern was their failure to explain why they had not initiated a proper investigation into a leak to the media of personal information held by Queensland Health about one of its employees, Dr Anthony Lynham. The Premier's portfolio includes the Public Service Commission, while the Director-General of the Department of the Premier and Cabinet is the most senior officer in the Queensland public service. It is clear that questions about the unauthorised release of a public servant's personal information fall within the responsibility of the Premier and his Director-General. The leaking of sensitive, personal information of a Queensland Health employee should have prompted immediate action by the Premier, his Director-General, the Minister for Health, or his Director-General. But Opposition questioning at the Estimates hearing revealed that nothing had been done. During the Estimates committee hearings, the Premier avoided answering questions about the leak and, on several occasions, sought points of order when questions were asked of Mr Grayson. The Opposition submitted a formal letter of complaint and now awaits the outcome of the department's investigation into this matter.

More unanswered questions

The Premier refused to provide details on many issues raised by the Labor Opposition. In particular, he:

- Failed to provide details on how many jobs have been lost in government-owned corporations under the LNP, despite promising a “fulsome and comprehensive answer”
- Failed to detail how much taxpayers’ money has been spent by the LNP Government advertising its plan to sell Queensland’s assets
- Failed to outline how many more jobs need to be created in Queensland for the LNP to meet its 4 per cent jobs target
- Failed to provide adequate responses to questions about what steps the government was taking to address inadequacies around measuring efficiency and effectiveness within the government as identified by the Auditor-General
- Failed to explain where he would find \$54 million in the 2014 Budget for concessions cut by the Federal Government, then reinstated by the State Government after public outcry
- Failed to explain why the average Queensland family of four is now paying an extra \$1320 a year in taxes under the Newman Government when the LNP promised to lower the cost of living
- Failed to explain why the public has been excluded from asking questions from the floor of Community Cabinet meetings
- Failed to explain why no cost-benefit analysis was done for the new Executive Building, which will end up costing taxpayers \$2.6 billion for a building that will be owned by the private sector.

Queensland Treasury and Trade

It was both disappointing and unbecoming that the Under-Treasurer was permitted to intentionally waste the Committee’s time by reading out the dividends and tax equivalent payments separately for each Public Non-Financial Corporations Sector entity when this information could have easily been tabled.

Secrecy on asset sales expenditure:

At the hearing the Treasurer continued with his refusal to publically disclose the amount of taxpayer expenditure on progressing the largest asset sales program in Queensland’s history without any election mandate.

Despite repeated questioning from the Shadow Treasurer, the Treasurer would not reveal how many millions of dollars are being spent on asset sales in secret.

Queenslanders have a right to know how much of their taxpayer money is being spent on asset sales scoping studies which aren’t about informing Queenslanders about the structure of the proposed sales as further detailed below.

The argument put forward that the Government must maintain a price-secrecy on the cost of scoping study consultants is unfounded and contradicted by the release of scoping study costs by the previous Government. It was falsely claimed at the hearing that the Newman Government were simply following the practices of the last Government.

The Treasurer incorrectly advised the Committee that the previous Government had not disclosed scoping study costs “*until the conclusion of the process*”. However, the previous Government had disclosed these costs in September 2010 at page 43 of the 2009-10 Treasury Annual Report and prior to the conclusion of all the transactions. The previous Government also disclosed total costs at the conclusion of the transactions following a question on notice from the Opposition. The Newman Government has failed to provide any information on scoping study costs despite a similar question on notice from the Labor Opposition and right to information requests.

The Commonwealth Government has also disclosed a total budget of \$11.7 million for hiring scoping study consultants on asset sales in 2014-15. In addition to this the Commonwealth disclosed that it will allocate \$90.9 million for an IPO of Medibank Private Limited from 2013-14 to 2014-15. There is no reason why the Queensland Government can't disclose the total budget and expenditure to date by the Queensland Treasury Corporation on scoping study consultants.

To claim that the market for asset sales consultants must operate under price secrecy is both baseless and contradicted by previous practice.

The Opposition further questioned the Treasurer as to whether Queensland Treasury Corporation had been used to hire asset sale scoping consultants in order to keep costs secret and from being disclosed under the *Right to Information Act 2009*. The Committee was advised that Queensland Treasury Corporation engaged scoping study consultants under the former Government. However, this advice conflicts with the disclosure of the expenditure on asset sales scoping studies in the Treasury Annual Report for 2009-10.

Secrecy on ‘Strong Choices’ political propaganda

It was disappointing that the Government defended the use of taxpayer expenditure for blatant political propaganda including the claim that “*we are being held back by long-term debt, accumulated by previous governments, of almost \$80 billion*”.

This statement is categorically false and cannot be claimed to represent anything other than political rhetoric aimed at absolving the LNP Government of all responsibility for having increased gross State debt by \$14 billion since the 2012 election.

As is clearly set out in the 2011-12 Mid Year Economic and Fiscal Review, the State's debt was \$62 billion when Labor left office after \$60 billion in infrastructure spending over four years that kept Queensland out of recession and rebuilt the State after natural disasters.

The Treasurer and Under-Treasurer also refused to disclose the full expenditure on the 'Strong Choices' campaign despite repeated questioning as to what funding had been internally allocated to the campaign. While the answer to Question on Notice No. 2 to the Committee detailed an additional \$4.2 million allocation in 2014-15, the government refused to provide what the internal allocation was in 2013-14. Including this internal allocation, the government has now admitted that it is spending \$15.4 million on the 'Strong Choices' propaganda campaign. It is likely that total expenditure on the 'Strong Choices' propaganda campaign is \$20 million if the internal allocation in 2013-14 is similar to that in 2014-15. The secrecy around this expenditure is disappointing. The previous government had a standard practice of disclosing internal reallocations in addition to new spending for funding initiatives in Budget Paper 4 which is no longer being adhered to.

Treasurer wouldn't rule out private sector control over electricity network

In response to questioning from the Opposition the Treasurer refused to rule out providing the private sector with a controlling management stake over the State's electricity network.

The Treasurer advised the Committee that:

"... for someone who is making such a large investment, they would expect to have a say in what is going on. So that involves an opportunity to be on the board..."

The Treasurer defended his failure to mention private sector management in the so-called 'consultation' as part of the Government's 'strong choices' political propaganda campaign which presented this model as merely involving 'private funding' of the electricity network.

The Treasurer claimed that mentioning that private sector management would be involved in the 'private funding' model for the electricity network would have been a "mammoth task" and "would not have aided, in fact, the decision-making process and the consideration of the choices we face".

The Opposition contends that Queenslanders should be properly informed and not just the investment banks that made it publically known that private sector management was being considered by the Newman Government.

The Treasurer stated that a final model for divestment of the electricity network

would not be determined until after an election stating that *“it is not something that the government is yet prepared to make a decision on...”*.

This brings into question the decision by the Newman Government to hire asset sales scoping study consultants without any election mandate on the basis that they would *“form the basis for a considered and mature conversation with Queenslanders”*.¹

It is also of note that page 15 of Budget Paper 2 for 2014-15 describes the ‘private funding’ model for the electricity network as an asset *“proposed for divestment”*. This contradicts the Premier’s statement to Parliament on 30 April 2013 that:

“we decided to not consider divestment of Energex, Ergon or Powerlink... and we certainly will not be seeking any mandate to undertake a sale of those assets at the next election”.

Expenditure on spin doctors

At the hearing the Under Treasurer confirmed that \$422,828 had been spent to date including GST on the Phillips Group public relations consultants. However, the Treasurer refused to release Treasury’s consultancy register and the full expenditure by Treasury on external public relations consultants. The Opposition does not support nor consider it necessary for external consultants to filter information from Treasury both within government and to the wider community.

Deficits larger and debt higher under Newman Government

When the Opposition raised that combined fiscal deficits have worsened by \$884 million from 2011-12 to 2014-15 including a \$2.7 billion deterioration between 2012-13 and 2014-15 under the Newman Government the Treasurer blamed falling revenue and finally acknowledged that debt has increased under his watch.

There was no acknowledgement from the Treasurer that this slowing in revenue is in part caused by spending cuts under the Newman Government with independent economists at Deloitte Access Economics, the Commonwealth Bank and Commsec all previously stating that spending cuts had impacted on the Queensland economy.

These revenue write-downs also pale in comparison to those recorded from the global financial crisis and the 2010-11 natural disasters of \$9.2 billion.

Nor was there any recognition that combined policy measures (spending and revenue reductions), under the Newman Government have totalled more than \$13 billion over their first three budgets.

After three budgets and more than two years in office the Treasurer is still refusing to

¹ (<http://statements.qld.gov.au/Statement/2013/12/20/advisors-named-for-scoping-studies>)

take any responsibility for the State budget and for the Newman Government's policy decisions.

It is worth noting here that the lower peak under the LNP (of \$82 billion compared with \$85 billion), is mostly explained by a \$2.9 billion sell-down in Aurizon (formerly known as QR National), and a lowering in infrastructure spending of \$630 million from 2011-12 to 2014-15.

A handwritten signature in black ink that reads "Curtis Pitt". The signature is written in a cursive, flowing style.

Curtis Pitt MP
Member for Mulgrave

Statement of Reservation

This statement is submitted by Mrs Liz Cunningham MP, Independent Member for Gladstone

Estimates remains the only focused opportunity for members of parliament to interrogate the budget papers and question the responsible Ministers. This year saw a change in programme. While the two day format offered greater time with each Minister, the lack of time constraints for answers saw some, including the Premier talk to Government questions over protracted periods of time.

While I believe the Treasurer, on Thursday, genuinely endeavoured to answer many questions put to him by both Government and non-Government members, the same cannot be said of the Premier on Tuesday. While very broad ranging responses were given to government 'Dorothy dixers', and the Premier was prepared to attempt a response to some of my questions, each question from the Labor members was met with argument, condescension or derision.

This is not the intent of estimates. It is incumbent on all involved members (past, present and future) to show respect for the people of Queensland on whose behalf we participate by approaching the Estimates process with honesty and maturity. This was clearly absent Tuesday.

A handwritten signature in black ink that reads "Liz Cunningham". The signature is written in a cursive, flowing style.

Liz Cunningham MP
Member for Gladstone