



2014 – 15 Budget Estimates

Report No. 35

Education and Innovation Committee

August 2014

EDUCATION AND INNOVATION COMMITTEE

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	Mr Steve Bennett MP, Member for Burnett
	Mrs Yvette D’Ath MP, Member for Redcliffe
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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 the responsible ministers, directors-general and chief executive officers of agencies within the committee's portfolio areas. This was undertaken through an analysis of the budget papers, questions on notice and the public hearing process.

The committee has recommended that the proposed expenditure, as detailed in the Appropriation Bill 2014 for the portfolios of Education, Training, Employment; and Science, Information Technology, Innovation and the Arts be agreed to by the Legislative Assembly without amendment.

On behalf of the committee, I wish to thank the Minister for Education, Training and Employment and the Minister for Science, Information Technology, Innovation and the Arts, 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 and the committee's secretariat staff, along with other Queensland Parliamentary Service staff, for their hard work and valuable contribution to the committee's estimates considerations this year.



Mrs Rosemary Menkens MP
Chair

August 2014

1. Introduction

1.1 Role of the committee

The Education and Innovation 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:

- Education, Training and Employment and
- Science, Information Technology, Innovation and the Arts.¹

On 3 June 2014, the Appropriation Bill 2014 and the estimates for the committee's areas of responsibility were referred to the committee for investigation and report.²

On 15 July 2014, the committee conducted a public hearing and took evidence about the proposed expenditure from the Minister for Education, Training and Employment and other witnesses. The committee conducted a second public hearing on 17 July 2014 and took evidence about the proposed expenditure from the Minister for Science, Information Technology, Innovation and the Arts and other witnesses. A copy of the transcript of the committee's hearings can be accessed at: <http://www.parliament.qld.gov.au/work-of-committees/committees/EIC/inquiries/current-inquiries/Estimates2014>

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
- additional information given in relation to answers.

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

Prior to the public hearing, the committee provided the Minister for Education, Training and Employment and the Minister for Science, Information Technology, Innovation and the Arts 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 Participation by other Members

The committee granted leave for the following Members to participate in the hearing:

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

There were also three substitute committee members over the course of the estimates hearings.

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. Education, Training and Employment

The Minister for Education, Training and Employment has ministerial responsibility for the portfolios administered by the Department of Education, Training and Employment (DETE).

DETE has the following three service areas:

- Early Childhood Education and Care – provides children with access to early childhood education and care through establishing and funding kindergarten and integrated early years services as well as a range of parent and family support programs, and regulating, approving and quality assessing education and care services.
- School Education – delivers Prep to Year 12 in Queensland state schools to prepare young people for successful transitions into further education, training and/or work, regulation of home education and administering funding to Queensland non-state schools.
- Training, Tertiary Education and Employment – improves the skills profile of Queensland through targeting funding for delivery of vocational education and training that leads directly to employment. Provides information, advice and support to vocational education and training providers, employers, students, apprentices and trainees.³

The minister's areas of responsibility are administered through DETE and a number of statutory authorities, including TAFE Queensland and the Queensland Curriculum and Assessment Authority. TAFE Queensland was established as a statutory body under the *TAFE Queensland Act 2013* on 1 July 2013. From 1 July 2014 all TAFE institutes and corporate functions have been transferred from the Department of Education Training and Employment to TAFE Queensland. Ownership of the state's training infrastructure and equipment transferred to the Queensland Training Assets Management

³ State Budget 2014-15, Service Delivery Statements – Department of Education, Training and Employment, p 12

Authority (QTAMA), a new specialist commercial asset manager. TAFE Queensland delivers training statewide through six regions including Brisbane, Gold Coast, SkillsTech, East Coast, South West and North.⁴

The Queensland Curriculum and Assessment Authority (QCAA) replaced the Queensland Studies Authority (QSA) on 1 July 2014 as the statutory body responsible for providing kindergarten to Year 12 syllabuses and guidelines, and assessment, testing, reporting, certification and tertiary entrance services to Queensland schools.⁵

In accordance with Schedule 7 of the Standing Orders of the Legislative Assembly, the Chief Executive Officers of the QCAA and TAFE Queensland attended the estimates hearing and were available for direct questioning by the committee.

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

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	7 931 608	8 056 007
equity adjustment	(9081)	29 802
<i>Administered Items</i>	2 739 315	2 924 634
Vote	10 661 842	11 010 443

Source: Appropriation Bill 2014, Schedule 2, p. 8.

Budgeted capital purchases for the Education, Training and Employment portfolio (including the Department of Education, Training and Employment and related entities) are \$411.7 million in 2014-15.⁶

This includes \$394.9 million for schools, \$10.9 million for early childhood education and \$4.7 million for training. The department will make capital grant payments of \$107.6 million to other organisations.⁷

Budgeted capital purchases include \$1.2 million for the Queensland Curriculum and Assessment Authority.

3.1 Budget highlights – Department of Education, Training and Employment

2014-15 budget highlights for DETE include:

- Investment of:
 - up to \$4.89 million in additional funding to increase kindergarten participation rates for Aboriginal and Torres Strait Islander children

⁴ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 27

⁵ State Budget 2014-15, Service Delivery Statements – Department of Education, Training and Employment, p 4

⁶ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 27

⁷ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 18

- more than \$30 million to provide a range of early childhood development programs and services
- \$7.7 million to commence refurbishment of existing Early Childhood Education and Care facilities
- up to \$13 million over three years in the School to Trade Pathway and Group Training Organisation Additional Apprentice bonus initiatives
- \$1 million of \$4 million over four years in partnership with the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs under the Strategic Indigenous VET Partnership
- \$23 million to construct a new secondary school at Highfields
- \$20.8 million to replace and enhance facilities at existing schools
- \$93.8 million to continue the implementation of Year 7 as the first year of secondary school from 2015 by building, refurbishing and reconfiguring state school classrooms and flexible learning areas
- \$11.1 million to complete delivery of the Building Our Future Schools initiative on school sites at Cairns SHS, Centenary SHS, Gladstone SHS, Gympie SHS, Helensvale SHS, Kingaroy SHS, Kelvin Grove State College, Mansfield SHS, Woodridge SHS, Pimlico SHS, Tamborine Mountain SHS, Wavell SHS, Warwick SHS and Bundaberg SHS
- \$59.3 million for the 2014-15 allocation to the \$1.4 billion Queensland Schools PPP project for 10 new schools in SEQ, with the first two schools to commence at Burpengary and Pimpama in 2015
- \$24.4 million to continue the delivery of the Australian Government Trade Training Centres in Schools Program
- \$6 million for additional state schools to participate in the Independent Public Schools initiative
- \$64 million as part of the semester 2 instalment of the \$131 million *Great Results Guarantee* initiative to improve student performance in Queensland State Schools
- up to \$66.7 million of \$537 million over five years to implement *Great Teachers = Great Results*
- \$1 million as part of \$4 million over four years in additional funding to implement the Step Up into Education program to better prepare children for school
- \$250,000 as part of \$1 million over four years to support Queensland schools with access to chaplaincy and student welfare services
- \$6.5 million in Qld schools as part of \$26 million over four years in Getting the Basics right – Literacy and Numeracy grants
- \$1 million over three years to sponsor delegations of Queensland secondary school students to travel to ANZAC Day ceremonies at Gallipoli and the Western Front from 2013 to 2015
- \$250,000 as part of \$1 million over four years to continue an education program for all Queensland schools to give children the knowledge to protect themselves and encourage reporting of suspected abuses

- \$100 million to meet maintenance backlogs in Queensland state schools under the Fixing Our Schools Fund
- \$3 million of \$10 million committed over four years as part of the Supporting Women Scholarships initiative
- Commencing the new Queensland Curriculum and Assessment Authority statutory body
- Continuing to provide and monitor the e-Kindy program to provide young children in rural and remote regions with access to a kindergarten program
- Continuing the third tranche of the four year program to roll out the equivalent of a full-time teacher aide to an additional 150 prep classes each year in areas of greatest need to provide up to 9,000 extra teacher aide hours per week by 2015-16
- Completing the independent review of Queensland senior assessment and tertiary entrance processes
- Forming Queensland's first dual-sector university through the merger of Central Queensland Institute of TAFE with Central Queensland University.

3.2 Issues considered by the committee – Department of Education, Training and Employment

Issues raised by the committee in relation to Education, Training and Employment included:

- investment in early childhood education to assist with the transition to school, and funding and establishment of early childhood education services and Early Years Centres
- increase in enrolments in early childhood programs and benefits to children
- challenges for children in rural and remote areas to access early childhood education programs, and funding for e-Kindy, distance education and School of the Air
- funding to increase the participation rates of Indigenous children in early childhood education
- negotiations regarding continuation of National Partnership Agreement funding in 2015, and plans to address shortfall and provide minimum number of hours of early childhood education if funding does not continue
- changes to funding levels on commencement of the *Students First* program and cessation of Specific Purpose Payments
- current deferral of funds to offset loss of funding from Commonwealth programs and impact on delivery of programs/grants, and the development of contingency measures to manage the reduction in funding for education by the Australian government from 1 January 2018
- funding to support programs and services in vulnerable and disadvantaged communities
- investment in additional teachers including funding for an increase in prep teacher aide hours
- planning to ensure secondary schools have specialist subject teachers

- supply and recruitment of a sufficient number of teachers for the year 7 transition to secondary school, including training of primary school teachers for middle school teaching
- potential for oversupply of teachers in primary schools and downgrading of classified officer positions as student numbers decrease when year 7 transitions to high school
- number of secondary schools undertaking building projects to prepare for the transition of year 7, and the timeframe and deadlines for the construction of additional classrooms
- rollout of the *Great Results Guarantee* and its impact on student performance in Queensland State Schools, including Indigenous students
- sale of assets, both completed and upcoming, including the timeframe for the sale of land and assets belonging to the five schools closed at the end of 2013, and proposals regarding reduction of the footprint of Everton Park State High School
- responsibility for costs of maintaining a year 7 teacher at schools in rural areas that do not have a high school
- review of the school viability assessment process and potential for future assessments leading to school closures prior to and subsequent to the next election
- needs analysis and planning for future network needs by the state, catholic and independent sectors
- timing of the release of the second report by the Queensland Schools Planning Commission
- responsibility for decision to construct 10 new schools in South East Queensland and potential for planning and construction of schools outside of South East Queensland over the next five years
- DETE's role in planning for new special schools, and the current expenditure on, future funding for, and the due date for completion of the planning for Cairns Special School
- progress of the *Advancing our Schools Maintenance* initiative, funding to meet budget for school maintenance program, and impact of autonomy and local decision-making on addressing the maintenance backlog in Queensland schools
- potential difficulties in attracting teachers to regional Queensland schools
- management of vacancies and staffing at Independent Public Schools
- enforcement of discipline by teachers and principals
- update on the Queensland review of senior assessment and tertiary entrance processes
- support given to TAFE Queensland to allow it to compete with private training organisations, benefits of introducing full contestability for government training funding and maintaining quality education in a fully contestable market
- role of the Ministerial Industry Commission in facilitating partnerships between government, industry and employers to identify skilling needs to inform funding priorities and the flexibility of the *2014-2015 Annual VET Investment Plan* to adapt to findings

- number and relevance of TAFE courses subsidised by the Queensland government, amount allocated to public and private providers, and decrease in VET tuition fee subsidy and allocation of remainder of funding
- size and impact of increase in TAFE fees and the likelihood of a fully contestable and demand-driven VET system leading to reduced fees
- exclusion of people on income support from accessing the *Community Learning* program, though people with disability are a stated target group
- existence and staffing of a dedicated workforce industrial relations unit for TAFE, and the cost of legal representation as part of current arbitration on the *TAFE Educational Employees Certified Agreement* in 2013/14
- number of year 12 students able to take up fee-free training, school access to Certificates I and II and potential for fee increases for schools
- progress on reaching the target of 10,000 apprentices
- benefits of merging Central Queensland Institute of TAFE and Central Queensland University
- funding for potential TAFE students who hold a Certificate III or higher and eligibility for subsidies
- practical outcomes of investing through strategic Indigenous partnerships as part of the *VET Investment Plan*
- progress on creation of jobs to reach the Queensland government's unemployment target of four per cent, and number of jobs to be created to reach the target
- allocation of funds from sale of TAFE assets following restructure, cost of establishing QTAMA, rent paid by TAFE Queensland to QTAMA after 1 July 2014 and the utilisation of any profits
- transfer of assets to QTAMA and possibility that campuses will have to pay rent for their own equipment as part of the asset transfer
- loss of full time equivalent positions at TAFE campuses
- impact of the transfer of DETE housing stock to the Government Employee Housing Scheme managed by the Department of Housing and Public Works
- support for Queensland students with a disability, including the *Supporting Queenslanders with a Disability* initiative.

The committee noted that the Honourable John-Paul Langbroek MP, Minister for Education, Training and Employment, would not provide an answer to the question pertaining to the cost of legal representation over the 2013-14 period for arbitration on the *TAFE Educational Employees Certified Agreement*.

4. Science, Information Technology, Innovation and the Arts

The Minister for Science, Information Technology, Innovation and the Arts has ministerial responsibility for the portfolios administered by the Department of Science, Information Technology, Innovation and the Arts (DSITIA).

DSITIA has the following five service areas:

- Science - provides scientific and technical services and advice to government agencies that underpins decision making and legislative responsibilities. The division, in close collaboration with the chief scientist, also develops the Queensland Government's science policy and provides strategic leadership for the government's investment in science.
- Strategic ICT - strives to ensure quality ICT outcomes are achieved across government and is a key area in supporting frontline service delivery. The division is responsible for whole-of-government programs and plays an integral role in implementing the government's ICT reforms as outlined in the *Queensland Government ICT Strategy 2013-17 Action Plan*. In addition, as the mega category lead for ICT procurement, the division prepares, negotiates and manages contracts to establish whole-of-government procurement arrangements.
- Digital productivity and services - promotes the successful adoption of digital technologies and digital content to revitalise Queensland Government services, boost productivity and innovation within Queensland businesses, and to connect and enable our communities. The division is comprised of the Digital Economy and Productivity Office, Queensland State Archives, One-Stop-Shop and Smart Service Queensland.
- Strategic policy and innovation - aims to create the right environment to promote innovation and commercialisation of products and services that benefit Queensland and ensure departmental services and strategies align to customer needs and government priorities.
- Arts Queensland - aims to strengthen cultural and economic outcomes for Queensland through facilitation of resilience and innovation in the arts and cultural sector.⁸

The Minister's areas of responsibility are administered through DSITIA and a number of statutory authorities and entities. The statutory authorities are the Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Trust, Queensland Theatre Company, the State Library of Queensland and Screen Queensland Pty Ltd.⁹

The entities are the Queensland Government Chief Information Office and the Office of the Queensland Chief Scientist. Other DSITIA agencies include CITEC, and Shared Corporate Services which includes Queensland Shared Services and the Corporate Administration Agency.¹⁰

In accordance with Schedule 7 of the Standing Orders of the Legislative Assembly, the Chief Executive Officers of the statutory authorities attended the estimates hearing and were available for direct questioning by the committee.

⁸ State Budget 2014-15, Service Delivery Statements – Department of Science, Information Technology, Information and the Arts, pp 9-10

⁹ Ibid, p 17

¹⁰ Ibid, pp 1-3

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

Appropriations	2013-14 \$'000	2014-15 \$'000
<i>Controlled Items</i>		
departmental services	277 881	362 789
equity adjustment	(43 491)	(43 362)
<i>Administered Items</i>	152 516	152 545
Vote	386 906	471 972

Source: Appropriation Bill 2014, Schedule 2, p. 10.

In 2014-15, budgeted capital purchases are \$17.2 million and capital grants are \$13.2 million for the Science, Information Technology, Innovation and the Arts portfolio including its statutory bodies, commercialised business unit and shared service providers.¹¹

The capital program for DSITIA is \$6.3 million, which includes \$2.6 million for the procurement and replacement of essential scientific equipment and \$1.1 million to the Government Wireless Network (GWN) for the purchase of software.¹²

Budgeted capital purchases for DSITIA agencies total \$10.9 million which is made up of \$1.7 million for the Library Board of Queensland; \$1.1 million for the Queensland Museum; \$2.4 million for the Queensland Art Gallery; \$1 million for the Queensland Performing Arts Trust; \$2.5 million for CITEC and \$2.2 million for Queensland Shared Services.

4.1 Budget highlights – Department of Science, Information Technology, Innovation and the Arts

2014-15 budget highlights for DSITIA include:

- Investment of:
 - \$2.6 million for the procurement and replacement of essential scientific equipment used for environmental and natural resource projects undertaken by the department for a wide range of Queensland Government departments
 - \$1.7 million to the Library Board of Queensland for the purchase of heritage and infrastructure collections, intangible assets in the form of digital collections as well as replacement of information technology and micrographic equipment
 - \$1.1 million to the Government Wireless Network (GWN) for the purchase of software to deliver an integrated digital wireless network for Queensland's public safety agencies and emergency workers

¹¹ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 90

¹² State Budget 2014-15, Service Delivery Statements – Department of Science, Information Technology, Information and the Arts, p 18

- \$12.5 million to the Australian Institute of Tropical Health and Medicine as part of a \$42.1 million election commitment comprising \$7.8 million in operating and \$34.3 million in capital grants over 3 years. This investment will support the establishment of the Institute and strengthen Queensland's readiness to combat biosecurity risks.¹³
- lead implementation of the *Queensland Digital Economy Strategy and Action Plan* to achieve the vision for Queensland to be Australia's most digitally interactive state
- further implement the *One-Stop Shop Plan* through the addition of 100 new online transactions, establishing the first Service Outlet Pilot in the Lockyer Valley/Scenic Rim region and rolling out and assessing the pilots for social media and click to chat capabilities on www.qld.gov.au
- announce the recipients of \$8.75 million in funding available across the *Accelerate Queensland Science and Innovation Program*, as part of the implementation of the *Science and Innovation Action Plan*
- boost the Maps Online service to enhance the reporting packages available and provide a 'one-stop shop' for access to information on environmental values
- continue to support Queensland startups by providing early-stage, high-growth potential businesses with access to high quality incubator services
- continue to implement the *Arts for all Queenslanders strategy 2014-18* to achieve growth of the arts sector and a strong community of arts
- complete the implementation of the GWN for use by public safety agencies throughout the Gold Coast, Logan and Ipswich areas
- assist agencies in progressing from government-owned ICT to sourcing ICT-as-a-service
- lead the development of a *Born Digital Stay Digital Policy* to enhance digital recordkeeping maturity and capabilities across government
- continue to build on collaborations and research opportunities under Queensland's science and technology related agreements with China's Ministry of Science and Technology and the Chinese Academy of Sciences
- facilitate a series of Thought Labs to provide opportunities to co-design policy solutions with external stakeholders across the portfolio
- complete and assess the Queensland Government's *Flexible Work Centres* pilot
- commence construction of the Australian Institute of Tropical Health and Medicine
- continue to deliver on the Queensland Government's ICT renewal agenda to achieve fundamental change in the management and delivery of government ICT.

¹³ State Budget 2014-15, Capital Statement – Budget Paper No. 3, p 90

4.2 Issues considered by the committee – Department of Science, Information Technology, Innovation and the Arts

Issues raised by the committee in relation to Science, Information Technology, Innovation and the Arts included:

- scientific breakthroughs in Queensland over the last 12 months and benefits for Queensland
- implementation of the *Science and Innovation Action Plan* and the role of the Science and Innovation Advisory Council
- maximising strategic opportunities for investment in Queensland science
- construction of the Australian Institute of Tropical Health and Medicine and benefits to the region and to Queensland
- impact of Commonwealth budget cuts on the Queensland science and innovation budget and actions undertaken to offset the cuts in 2014-15 budget
- proportion of the Commonwealth Government's \$20 billion Medical Research Fund likely to be allocated to Queensland
- trend for life sciences manufacturing to be shifted overseas
- amount of funding and staff dedicated to the Great Barrier Reef monitoring programs and DSITIA's commitment to the *Reef Water Quality Protection Plan*
- implementation of the \$500 million *Entrepreneurial and Innovation Fund* and assistance being provided to start-up businesses
- expenditure on, selection process for, and return on investment of external consultants
- extensive planning and development of action plans, and outcomes of planning across the department
- recognition of science and innovation happening at the grassroots level in regional Queensland
- development of scientific relationship with China
- review of the *Gene Technology Act 2001* and the government's response
- level of support of a renewable energy target within government and level of involvement by Queensland in large clean energy and renewable energy projects
- progress of the audit of intellectual property
- departmental innovation in how it operates, procures and supports business, including small to medium enterprises
- size and impact of cuts in funding to Arts organisation, and the decision-making process and Ministerial discretion regarding decisions on funding to Arts organisations
- approach to enabling rural and regional Queenslanders to participate in arts and cultural life
- sources of funding for the Brisbane Festival

- update on how the major performing arts companies are delivering for Queensland
- contribution of the Cultural Precinct Strategy fund to the *Arts for All Queenslanders* strategy and the government's tourism target
- implementation of the *Playing Queensland Touring Fund* to deliver high quality arts experiences throughout the state.
- Screen Queensland's strategies to boost domestic and international production in Queensland and grow the Queensland film sector
- development of the *Cultural Precinct Master Plan*, including consultation approach, proposed changes to the architectural integrity of the cultural precinct and amount of private sector input needed to implement the conceptual design of the plan
- implementation of the *Super Star Fund* to support local performing arts companies to engage internationally-renowned artists, and the associated costs and administration
- update on the *Revolving Film Finance Fund* which provides loan funds as cash flow
- success of events at QAGOMA, including *Falling to Earth* by Cai Guo-Qiang, *Quilts 1700-1945* and *Portrait of Spain: Masterpieces from the Prado*.
- number of ticketed events at the Queensland art galleries, funding for events, forecast reduction in income and decrease in attendance at ticketed events
- reduction in positions at QAGOMA, CITEC and Queensland Shared Services
- funding and support for Indigenous artists including the Cairns Indigenous Art Fair, children's and young people's participation in the arts, and support for the writing sector of Queensland
- development of the *Innovation Fund* to support the business viability of artists and arts organisations
- ensuring value from investment in the arts through partnerships with the federal government and local governments
- number of projects listed as red or amber since commencement of the ICT dashboard, process for listing and rating of projects on the dashboard and support provided by DSITIA to prevent projects becoming amber or red
- implementation of new transactions for the *One-Stop Shop* for delivery of Queensland government services, uptake of the government's online services and update on Shop pilot project in the Lockyer Valley and Scenic Rim area
- enabling small to medium enterprises to access Queensland government work
- support provided by the government to help children get into digital careers, including access to subsidised TAFE courses and fee-free certificate courses through schools
- collaboration between the Minister for Science, Information Technology, Innovation and the Arts and the Minister for Education, Training and Employment on implementing training in the digital economy as a priority area

- specific strategies to ensure that the Digital and Productivity Services Area meets its performance benchmark targets strategies as part of the vision for Queensland to be Australia's most digitally interactive state
- implementation of the GWN, including benefits for frontline services, due date for completion, expenditure and future works
- addition of data sets to the Open Data website, number of staff involved and collaboration with the Assistant Minister for the Department of Premier and Cabinet
- arrangements with Microsoft regarding establishing whole of government ICT procurement provisions
- release of the *Queensland Digital Economy Strategy and Plan* and changes to the management of ICT through the implementation of the ICT renewal agenda, including the upgrade of payroll services
- DSITIA's role in addressing concerns about information systems and information security raised by the Auditor-General's report *Results of audit: Internal control systems 2013-14*

The committee would like to note that, following the hearing on 17 July 2014, on 18 July the minister, the Honourable Ian Walker MP, wrote to the Committee to clarify statements made at the hearing about the preparation of legislation regarding the *Gene Technology Act 2001*, the number of teams selected for the Innovation Hub weekend, and the amount being spent on the GWN.

Statement of Reservation

EDUCATION AND INNOVATION COMMITTEE

STATEMENT OF RESERVATION

This statement of reservation is submitted by the Member for Redcliffe and Member of the Education and Innovation Committee Mrs Yvette D'Ath MP, on behalf of the Queensland Labor Opposition.

THE HON. JOHN-PAUL LANGBROEK MP
MINISTER FOR EDUCATION, TRAINING AND EMPLOYMENT

EARLY CHILDHOOD EDUCATION

The Minister failed to provide any confidence that planning is being done to provide a well-funded early childhood education program beyond December 2014. Despite the two sessions of questions from Government members asking the Minister to explain what the Government is doing in the early childhood education area, the Minister did not refer to the Commonwealth funding, until a question was put by the opposition.

During the Treasurer's budget speech the following was said about Early Childhood Education,

At this point, a particular concern we have relates to Early Childhood Education. In 2008, the then Queensland Government signed up with the Federal Government to provide universal access to kindergarten programs delivered by qualified teachers. These programs are delivered to approximately 60,000 children in kindergartens and day care centres. Unfortunately, the federal Budget provided no certainty of funding beyond the end of this calendar year. We are seeking urgent clarification from the Federal Government.

The Government is keenly aware about the importance of the National Partnership Agreement on Universal Access to Early Childhood Education which is due to expire at the end of 2014.

The present partnership guarantees each child 15 hours a week of early childhood education in the year before compulsory schooling. Several states have given guarantees to maintain a minimum level of access to early childhood education.

The Victorian Government has now guaranteed at least 10 hours irrespective of Commonwealth funding. South Australia has also made a similar guarantee of 12 hours of early childhood education.

When asked whether the Queensland government would deliver a guaranteed minimum number of early childhood education hours, irrespective of continued Commonwealth funding beyond December 2014, the Minister refused to give such a guarantee.

During the Minister's evidence to the Committee, the importance of providing access to early childhood education was heavily emphasised. The Opposition is concerned that no forward planning appears to be occurring beyond December 2014 to maintain the 15 hours a week early childhood education for children in Queensland. This leaves a lot of uncertainty for the sector and for parents beyond 2014.

EDUCATION

Commonwealth Funding changes 1 January 2018

The Opposition sought to question the Minister on what contingency planning the government is undertaking in light of the Commonwealth Budget's significant cuts to education funding from 2018.

Within the current budget papers there is specific reference to the Commonwealth Government's proposed significant future cuts of funding to the states for schools.

Of particular concern, the 2014-15 Commonwealth Budget indicated that the Australian Government will amend funding arrangements for public hospitals (from 1 July 2017) and schools (from 1 January 2018) to generate savings across all states of over \$80 billion in the period to 2024-25. Queensland's per capita share of this saving would amount to a reduction of around \$16 billion in Australian Government funding. This is a significant cost shift by the Australian Government and the narrow tax base of states will make the delivery of these services increasingly unaffordable beyond the current forward estimates.

Budget Paper 2 – Budget Strategy and Outlook, Inter-governmental Financial Relations, Page 105

The assertion in the current budget papers that the delivery of education will be increasingly unaffordable beyond the current forward estimates is particularly alarming. When questioned about the looming funding crisis for schools, the minister provided the following response.

Ms D'ATH: Thank you. My next question is to the minister. I refer to page 105 of budget paper No. 2, the Budget Strategy and Outlook, which refers to the delivery of education services becoming increasingly unaffordable beyond the current forward estimates due to the Abbott government unilaterally amending funding arrangements from 1 January 2018. Will the minister advise if the department has considered any contingency measures in relation to department expenditure in such circumstances?

Mr LANGBROEK: No. We are talking about 2018, Madam Chair. That is beyond the forward estimates for this government. Therefore the answer is no.

It is only three and a-half years before the Commonwealth Funding will be stripped away from Queensland and no explanation was provided by the Minister as to how the government intends to deliver a well-funded education system into the future. This creates further uncertainty for the state and non-state schools sector into the near future.

Year 7 Transition

Based on the evidence given by the Minister, Director-General Dr Watterson and Acting Deputy Director-General Mr O'Hagan, the Queensland Opposition has concerns about the steps being taken to equip the 1300 new secondary school teachers which the Minister advised are required to meet the additional new cohort of students in Secondary schools.

Education Queensland is currently offering Junior Secondary Professional Development modules over 5 rounds from May to October 2014. At the time of the estimates hearing two rounds have been completed.

Dr Watterson advised that 111 teachers had completed the Junior Secondary Professional Development modules after the first two rounds with another 113 teachers enrolled for the third round to be held in August. Of the 1300 new junior secondary teachers required for the Year 7 transition, at this stage less than 20% of these teachers have either taken or are scheduled to take the department's professional development course for the Year 7 transition. This is particularly concerning given that only 2 of the scheduled 5 rounds remain to be offered by the department.

The Director-General advised only 500 places in the Junior Secondary Professional Development modules had been funded by the department despite the need for 1300 new teachers in Queensland Secondary schools.

The Queensland Opposition is concerned that the new secondary school teachers will be ill-equipped to deal with the needs of the year 7 transitions.

It is noted that the Director-General advised the Committee that the schools were independently conducting their own “implicit professional development” in preparing for the Year 7 transition. The Director-General was confident of having all teachers appointed by the end of the year for the year 7 transition, however no assurance was given of any departmental monitoring of the quality or quantity of such implicit professional development. To ensure that new teachers are prepared for entry into junior secondary teaching the department needs to ensure adequate oversight of local preparations.

Cairns Special School

The Opposition sought to clarify what progress has been made in relation to delivering a special school for Cairns. The Minister acknowledged that “*Cairns, of course, is one where planning is ongoing because there is no facility in Far North Queensland for special schooling*”. When asked about the \$500,000 allocated in the 2013-14 Budget for a study into the planning for a special school in Cairns, whether any funding had been deferred from 2013-14 to 2014-15 or whether any funding is allocated in 2014-15 to complete the planning study, the Minister took the question on notice. The Minister was also asked when the planning is due for completion.

The Minister’s response is as follows:

“The Newman Government is fully committed to ensuring that Cairns students have a brighter future and that’s why we are methodically and carefully analysing the needs of the region to ensure that we can deliver the best possible resource.

I am advised that no funding has been deferred from 2013-14 to 2014-15 in relation to the planning of a Cairns Special School. While no specific funding has been allocated from the 2014-15 budget, my Department will continue its ongoing assessment of options and any associated funding requirements. This assessment and planning will be completed by the end of 2014.”

Despite the appearance that the \$500,000 from the 2013-14 budget for the planning has been expended, this planning is not complete. The Minister in response to the question on notice, advised that no specific funding has been allocated from the 2014-15 budget for the planning of the Cairns Special School. The Minister advises that the assessment and planning will be completed by the end of 2014. It is difficult to understand how the

planning will be finished at the end of 2014 when no funding was deferred from the 2013-14 budget and no funding is allocated in the 2014-15 year to complete the task. It remains unclear what work has actually been undertaken in relation to the assessment and planning for a special school in Cairns.

Special School Planning

On the issue of special schools more broadly, the Opposition sought to clarify with the Minister whether there was any strategic planning being undertaken by the Government in relation to the need for future special schools in Queensland. During questions asked about planning for special schools, the Director-General advised that the department is currently assessing the demands for future special schools. However the Queensland Schools Planning Commission in their first report stated that:

“The Commission has not undertaken an analysis of the need for special assistance schools or schools providing special education due to the small cohorts of students being provided these specialist services. For example, as reported in the DETE 2011-12 Annual Report, in 2011 the state special school cohort was only 0.7% of all state school enrolments.

The second Report of the Queensland Schools Planning Commission made no further reference to special schools or special education. The Opposition is concerned about the lack of recognition by the Government that special education units are expanding in many state schools. The planning for such demand is not being conducted in a public forum that ensures parents and the education sector can contribute to.

Release of Queensland Schools Planning Commission Report

For the second year in a row the Minister has seen fit to release a report of the Queensland Schools Planning Commission (QSPC) on the day of the estimates hearing. In 2013 the initial report of the QSPC was dated 26 June 2013 but was held for release until the Minister’s Estimates appearance 27 days later.

This year the Minister released the second and final report of the QSPC half way through the only day that the Minister was before Estimates. This was some 8 weeks after the date of the actual Report, being 19 May 2014.

The Opposition is particularly critical of the holding over of important reports to be released on the day of estimates hearings. The government states that it is committed to transparency and accountability, however such conduct only leads to a lack of scrutiny and of good governance.

TRAINING

The time allocated by the committee for examination of the government's Training and Employment budget was insufficient considering the Minister's efforts to avoid answering questions posed by non-government members and the amount of time he spent waxing lyrical about departmental policy decisions.

From the outset of the hearing it was clear that the Minister had an agenda and would not deviate from this plan despite it often having little to no relevance to the questions asked by non-government members. The Minister repeatedly spruiked government policy and 'summarised' at length, documents available on the department's website rather than providing information to explain the figures in the service delivery statement (SDS).

While it was clear that the aim of the government member's questions was to elicit such information and provide the Minister with an opportunity to sell his political messaging, the non-government members sought clarification and justification of figures provided in the SDS and the Minister, in the Opposition's opinion, repeatedly avoided answering such questions.

An example of the Minister avoiding answering questions from non-government members and following his own agenda is when he stated,

'I am not going to comment so much about the Australian Government; I am happy to speak about the community learning initiative from the state...' (Page 60 of the Transcript)

The question to which the Minister is providing a response related directly to the allocation of funding and grants provided by the state under their own program and how the allocation was determined, yet the Minister could not provide a straight forward answer.

Another example of this is at one point the Minister refused to answer one of the Opposition's questions, despite it referring directly to funds being spent by the department, stating,

'No, I am not going to provide those materials.' (Page 54 of the Transcript)

This government cannot claim to be open and accountable when it will not provide an estimates hearing with basic figures and data underpinning its own policies.

In response to a follow up question on money allocated for arbitration, the CEO of TAFE Queensland, Jodi Schmidt, was able to provide an estimate of how much TAFE Queensland expects to spend in 2014-15 on this matter. It is not acceptable that the CEO can provide an estimate of money allocated for future spending but the Minister cannot provide the figures for money the department has already spent.

On page 53 of the transcript, the Minister states,

'The whole point about what we are doing with the money we are putting in to training – and it is the same amount as last year \$615m – is that we, the government, set the subsidies.'

This is only one of the eight times the minister quotes this figure in the hearing, yet there is no reference to this figure anywhere in the Department of Education, Training and Employment's 2014-15 service delivery statement.

In fact, according to the past three service delivery statements for the Department of Education, Training and Employment, this government has consistently cut investment in training and employment.

These cuts amounted to, \$33.1 million in 2012-13, \$43.9 million in 2013-14 and \$94.8 million in 2014-15. So in total, annual State Funding (not including Commonwealth Funding and revenue from fees) has fallen from \$726.28 million in 2011-12 to \$554.46 million in 2014-15 or by a total of \$171.8 million a year.

Even adding *User Charges and Fees* and *Other Revenue* to the state's contribution to Training and Employment in 2014-15, the total falls short of the much cited \$615 million figure by nearly \$20 million, adding up to only \$595.87 million (page 14 of the SDS).

Community Learning

In relation to questions on the accessibility of training under the Community Learning program for people on income support, such as people with a disability, the Minister seemed unable to give a direct answer. The current circumstances show literacy and numeracy courses for people with disabilities either being cut or significantly increased through TAFE. The Community Learning program is supposed to fill this gap, however the program specifically precludes people receiving income support. The Minister in his response acknowledged only 5% of people with a disability are accessing the Community Learning program. This is despite people with a disability being a targeted group for the program.

Minister's Corrections

In relation to the Minister's correspondence received on the afternoon of 29 July 2014, the following comments are made. This correspondence seeks to clarify matters raised in the estimates hearing of 15 July 2014. The transcript of the hearing was released on 23 July 2014, calling on any corrections to be submitted by 28 July. Further, any questions taken on notice at the hearing of 15 July 2014, were to be responded to by 17 July 2014.

At the time of the meeting to consider the draft report on Tuesday 29 July, the Committee had not received the Minister's correspondence. The Committee determined that any Statements of Reservation were required to be submitted by 9.00am on Wednesday, 30 July 2014. As such it was disappointing to receive the Minister's correspondence on the afternoon of Tuesday, 29 July 2014.

The Minister's decision to not provide the clarification until 14 days after the estimates hearing and 6 days after the draft transcript was released is concerning. Although it is convention to allow members to correct the record, it is disappointing that such correction was provided to the committee at such a late stage. Such action further leads the Opposition to question the transparency and accountability of the LNP Government.

THE HON. IAN WALKER MP

MINISTER FOR SCIENCE, IT, INNOVATION AND THE ARTS

SCIENCE, ICT AND INNOVATION

The Opposition is concerned that significant cuts to science funding and a failure to recognise the importance of science by the Commonwealth Government will have large impacts on science, research and innovation here in Queensland. During the estimates hearing the Minister was asked whether cuts in the Commonwealth budget to CSIRO, to R&D tax incentives and also the complete abolition of the Innovation Investment Fund and Commercialisation Australia would impact negatively on Queensland's economy. The Minister rightly expressed concern about the potential impacts of those cuts on Queensland's economy but confirmed that the Queensland Government would not be stepping in to fill the gap left by the Commonwealth and that there was no funding to do so in the 2014-15 Budget. This is disappointing and the Opposition holds significant concerns for the potential long ranging impacts of these short-sighted decisions to cut funding for science and innovation.

The Opposition also raised the findings of an AusBiotech report published in 2014 which shows that in the past year life sciences companies in Australia have undertaken a

significant shift towards overseas manufacturing. Fifty-four per cent now undertake their manufacturing overseas compared to thirty-six per cent just last year. When asked whether this trend was also occurring in Queensland, the Minister was unable to provide any quantitative data about the state of biotech manufacturing in Queensland.

It is apparent that Queensland is falling behind other states in the development of renewable energy and this was discussed at the estimates hearing. The Opposition raised the fact that the Clean Energy Council's 'Clean Energy Australia Report 2013' report listed all of the large-scale renewable energy projects that were completed in 2013 and that of the 18 projects completed only one was built in Queensland, that being the Mackay Racecourse Sugar Mill. Additionally out of the 19 projects that are listed as currently under construction there is only one project in Queensland, being the Kogan Creek solar thermal project which was commenced under the previous government. This failure to invest in renewable energy is of great concern. As the Minister noted, developing renewable energy technology is one of the Queensland Government's science and research priorities. However, it is apparent that the Government's words and intentions are not being translated into actions.

In relation to the Information Technology (IT) aspects of the Minister's portfolio, the Opposition exposed a worrying ignorance of significant cost and time blowouts in IT projects being delivered within the Minister's Department. The Minister was asked about a number of projects being delivered by his Department but he was unable to answer questions about the problems in the delivery of those projects, instead referring the questions to departmental officers. This was unfortunately repeated at other committee hearings where a number of other Ministers were either completely unaware of or unable to answer questions relating to problems with the delivery of IT projects within their own departments. Despite talking tough about the need to focus on efficient delivery of IT projects from the Minister, it is evident the neither he nor his colleagues had taken any steps to involve themselves in the delivery of IT projects in their departments.

The Opposition was also provided with inadequate answers to legitimate questions about the leaking of sensitive personal information of Queensland Government employees. This issue and others was highlighted by the Auditor-General in his report on internal control systems for 2013-14. The report highlights that information systems and information security remains the primary area of audit concern making up 84 per cent of information systems issues identified compared to 64 per cent in the previous year of 2012-13 and 83 per cent in 2011-12. The Auditor-General's report had noted the main security weaknesses identified: inadequate review of system user roles and their activities; users having

inappropriate access to sensitive or restricted transactions; vulnerability to external attack from the internet and management of privileged accounts including restricting access to these accounts and monitoring of account activity. There was no adequate answer given to whether the Minister had taken steps to ensure that personal information would not be leaked in the future.

ARTS

Regardless of the Minister at the helm, the Newman LNP Government is intent on continuing to slash millions from grant funding to community arts organisations. The Deputy Director-General of Arts Queensland indicated that there is \$12.4 million in grant savings occurring up to the 2015-16 budget. This is a clear broken promise by an arrogant LNP Government which when in opposition, only days prior to the 2012 state election stated that there would be no cuts to funding to the arts in real terms.

While the cuts to arts funding may just be a number on a balance sheet for the Minister and the Newman LNP government, we now know the true cost of these cuts, with many arts organisations across our state having to reduce their services and even close their doors, including Youth Arts Queensland, which just ceased operations, after over two decades of cultivating and supporting our Queensland youth.

It was interesting to note that the Minister used his ministerial discretion to refund UQ Press of their government funding, after he decided to originally de-fund the organisation. The Minister stated that after he made his decision to defund UQ Press the *“university’s position went the other way and I thought therefore there was a need to re-look at UQ Press’s application because of its deteriorating position in support from the university”*. Does this now set a precedent whereby if any organisation is in a detrimental state due to government funds being cut, then the Minister should intervene and refund it? Why is the UQ Press more favourable and more worthy of being funded and in this case refunded after being defunded than Youth Arts Queensland whose position after being defunded by the government was so detrimental that they had to close their doors?

The former Labor Government over many years injected vital funds into the arts sector to ensure that the arts was cultivated over time to ensure that Queensland was a viable option to not only Queensland artists, but Australian and Overseas artists to come and practice.

One needs to only look at the answer to the question taken on notice by the Minister for the Arts, which indicates that in 2010-11 over \$45 million in grant funding was provided to the arts sector and in 2011-12 over \$48 million in grant funding was provided, but only just over \$33 million in grant funding is allocated in the current forward estimates. The Newman LNP government’s wrecking ball approach to the arts sector is deeply concerning and runs the

risk of creating a vacuum, a void of artists in the near future, with many leaving for other jurisdictions where artists are more welcomed and supported.

It is concerning, that despite the Premier's promise to lead an open and transparent government, since the Newman LNP government came to office, the publicly available performance measures that are available at the time of the estimate hearing process, usually contained in the Service Delivery Statement have dwindled, with many vital statistics such as patronage figures to our major venues missing from the Service Delivery Statement. These figures, including those of regional tours and events by our arts organisations need to be published and available prior to the estimates hearings, to ensure that proper scrutiny can occur and the government can be held to account regarding their election policies. Instead, the Minister and his department have hidden the figures and it was only through questioning by the Opposition that these figures were released for scrutiny.

Under questioning by the Opposition it was revealed that the Santos *City of Lights* show, which has been held at the Brisbane Festival has failed to secure funding by the Queensland Government to continue its amazing lightshow, which was one of the centrepieces of the Brisbane Festival. It is interesting to note that while the Minister has released draft consultation to redevelop the cultural precinct, which depicts an amphitheatre style arrangement on the river to watch river performances, the Government has not renewed funding for one of Brisbane's signature events. This is just another blow to the arts sector and indeed the wider community.

It was further disappointing to learn that Arts Queensland has not renewed its funding agreement with the British Council to fund the ACCELERATE program, which has seen many talented Indigenous Queensland artists receive their start on the world stage. While we note that there is funding available to Indigenous artists to advance their careers, the withdrawal of support for the British Councils ACCELERATE program has far wider implications and Queensland has lost its opportunity to engage with this prestigious program and receive advertising on a wider scale.

ESTIMATES TRIAL

Overall the new Estimates process prohibited proper scrutiny of the Ministers in relation to their portfolios, with delayed transcripts and limited transparency of the hearings for the public. Delays in the transcript also resulted in the Minister for Education, Training and Employment providing clarity on answers provided in Estimates, to the Committee less than 24 hours before this Statement of Reservation was due to be submitted. The trial of the two day Estimates process has shown to be a failure and this has been acknowledged by the Government with the Premier's decision to have future Estimates hearings conducted in the previous format.

A handwritten signature in blue ink that reads "Yvette D'Ath". The signature is written in a cursive, flowing style.

Mrs Yvette D'Ath MP
Member of the Education and Innovation Committee
State Member for Redcliffe